Abbott Labs

TREFIS

ANALYSIS *for* NYSE : ABT

NOVEMBER 16, 2012

$67.47	$63.00
$106.6 B MKT CAP	$99.6 B MKT CAP
Trefis Estimate	*Market Price*

See the Full Analysis for Abbott Labs on Trefis

— CORPORATE SNAPSHOT —

Established in 1888, Abbott Labs is a diversified healthcare conglomerate with a global presence. The firm operates in four main segments: Pharmaceuticals, Vascular, Nutritionals, and Diagnostic. The pharmaceutical segment includes primary care and specialty care drugs that prevent and treat conditions such as autoimmune diseases, lipid disorders, kidney diseases, prostate cancer, thyroid diseases and HIV.

The nutritional segment includes pediatric, adult, healthy living and sports nutrition products such as infant formulas, snack bars and meal replacement shakes.

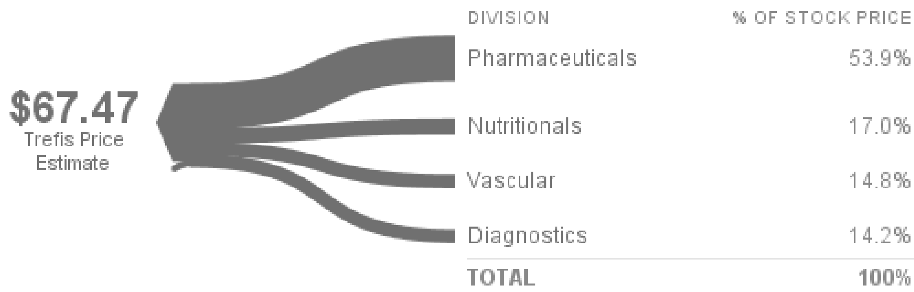
The vascular segment includes minimally invasive medical devices for heart diseases, strokes, carotid artery diseases, and other serious vascular conditions.

The diagnostics segment includes systems and tests used for screening for drugs of abuse, cancer, therapeutic drug monitoring, fertility, physiological diseases and infectious diseases such as hepatitis and HIV.

In October 2011, Abbott announced a plan to split its business into two distinct companies in order to unlock value. One company will have products focused on generics, nutritional, diagnostics and vascular products and the other will be focused on research-based proprietary pharmaceuticals such as Humira.

— VALUATION HIGHLIGHTS —

1. Pharmaceuticals (Humira (Autoimmune), TRILIPIX / TriCor (Lipid Regulator), Niaspan (Lipid Regulator- Niacin), Kaletra (HIV Antiviral), AndroGel, Synagis and Other) constitute 54% of the Trefis price estimate for Abbott Labs's stock.
2. Nutritionals constitute 17% of the Trefis price estimate for Abbott Labs's stock.
3. Vascular constitutes 15% of the Trefis price estimate for Abbott Labs's stock.



See the Interactive Valuation Breakdown on Trefis

Our share price estimate and the overall company value is derived by summing-up the values of individual divisions/businesses in a sum-of-the-parts analysis. The value of each division is calculated using a discounted cash flow (DCF) methodology.

We forecast fundamental drivers like pricing, market share, and profit margins for different businesses in estimating the division's value within the DCF framework. The analysis below primarily focuses on those important forecasts that drive our share price and value estimate.

Our complete analysis, including sources of historical data, underlying equations and additional discussion are available on www.trefis.com.

— POTENTIAL UPSIDE & DOWNSIDE TO TREFIS PRICE —

Below are some key drivers of Abbott's value that present opportunities for upside or downside to the current Trefis price estimate:

- Revenue From AndroGel, Synagis and Other:
  We estimate that Abbott's other pharmaceuticals segment constitutes more than 35% of the company's value. Abbott has relatively few patent expiries compared to peers. However the company doesn't have a very strong late-stage pipeline. Abbott is banking on various recent acquisitions, which have brought Abbott a large portfolio of pharmaceutical products and an expanded presence in fast growing emerging markets, to drive long-term growth. If these acquisitions fail to translate into meaningful growth, the company's sales remain flat by the end of the Trefis forecast period. This would represent a downside of more than 7% to the Trefis price estimate. However, if these acquisitions complement Abbott's global presence and brand and allow the segment's sales to reach $16 billion by the end of the Trefis forecast period, there would be a potential upside of more than 5% to our price estimate.
- Revenue from Humira:
  Humira, a drug for autoimmune diseases, is the world's second best-selling drug in terms of revenue and constitutes 15% of the Trefis price estimate for the company. Humira is set to face competition from JAK inhibitors, experimental oral drugs that are currently going through

phase 3 studies and expected to be launched in early-2013. If the technical studies data are not favorable and/or these trials hit a snag, the drugs may fail to get regulatory approval which would pave the way for Humira to gain additional revenue.

If Abbott is able to leverage its market leading position in the autoimmune segment until its patent expiration and drug's sales exceed our expectations to reach $12 billion compared to our current forecast of $10 billion by 2016, this would present an upside of about 5% to the Trefis price estimate. However, if Humira's position weakens more than expected as new competitors enter the segment, and its sales falls to nearly $7 billion by the end of the Trefis forecast period, there could be a potential downside of more than 4%.

— SOURCES OF VALUE —

Abbott manufactures one of the world's best-selling drugs, Humira, which accounts for 20% of the company's value according to our estimates. However the company's largest value driver is the Other Pharmaceuticals division which includes products such as Synagis (treatment for respiratory syncytial virus), AndroGel (for males with low testosterone), Lupron (prostate cancer treatment) and anesthesia products. According to our estimates, the division accounts for more than 40% of the company's value due to a variety of factors:

Acquisitions, alliances & licensing arrangements to bolster sales

Various alliances, licensing deals and other partnerships help in reducing R&D expenses. A strong distribution network, tie-ups and brand image due to world class drugs help boost revenues. Various current and future alliances, partnerships and licensing arrangements present significant upside potential for revenue growth.

In 2010, Abbott completed various acquisitions including Solvay Pharmaceuticals, Facet Biotech Corporation and Piramal Healthcare, bringing Abbott a large portfolio of pharmaceutical products and an expanded presence in fast growing key global emerging markets. To strengthen its position in diagnostics, Abbott acquired Starlims Technologies Limited.

In addition, Abbott signed a licensing and supply agreement with Zydus Cadila. Under the agreement, Abbott will gain rights to many Zydus products in major markets, primarily in Eastern Europe, Latin America and Asia, where Abbott has a strong and growing presence.

Expansion in emerging markets to drive growth

In 2011, emerging markets accounted for over 25% of total revenue of the company. Emerging markets are expected to grow at a faster pace than developed markets going forward. Abbott's management has reiterated their intention to tap these high potential emerging markets. In recent years, Abbott has made significant moves to expand its presence and product portfolio in many of the most populous and fastest-growing countries in the world.

— KEY TRENDS —

Rapidly growing emerging markets

Per capita income levels in many emerging markets is rising rapidly, which provides an immense opportunity for growth in these markets. Also, new studies and increased access to information, have led to rising health consciousness in these markets. However, emerging markets are known for their weak and ineffective patent laws, ultimately limiting the growth.

Growing threat of generic products

The fast-growing pharma market in emerging economies, referred to as 'Pharmerging' economies, have the capability and technical prowess to manufacture generic versions of blockbuster drugs. These generic drugs are often sold at prices that substantially cheaper then their branded counterparts, thereby severely affecting big pharma's ability to generate healthy profits in the long run.

Lack of approval for Biosimilars by FDA

At present the Food & Drug Administration (FDA) does not have a process to grant approvals for Biosimilars. Though it is difficult to predict when such a process would be initiated, the potential impacts would be severe for any big pharmaceutical firm, as it would likely result in a drastic reduction in pricing of Biologics.

Loss of patents

By the end of 2013 over 10 blockbuster drugs are expected to lose patent exclusivity. These branded drugs are set to lose over $100 billion in revenues in the next few years and thus companies such as Abbott will need to develop new drugs to offset these losses.

Global healthcare reforms

Governments around the world have been undertaking significant healthcare reform programs. Some of these programs could effectively cap drug pricing with rebates and other mechanisms.

See the Full Analysis for Abbott Labs on Trefis

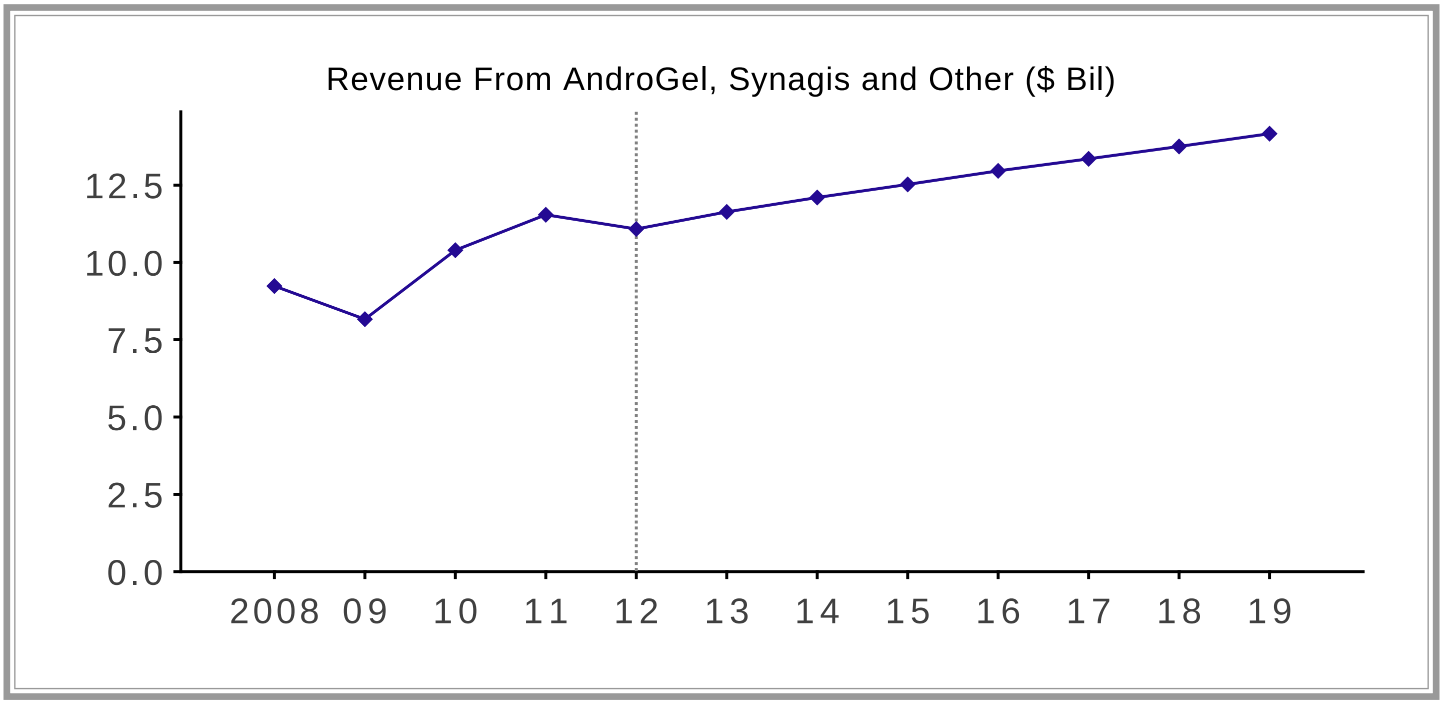
AndroGel, Synagis and Other

The AndroGel, Synagis and Other division constitutes 34.2% of our $67.47 price estimate for this stock, based on our sum of the parts analysis.The most important drivers for the AndroGel, Synagis and Other business are:

- Revenue From AndroGel, Synagis and Other
- Abbott's Pharmaceutical EBITDA Margin
- R&D as % of Revenue

— REVENUE FROM ANDROGEL, SYNAGIS AND OTHER —

This is defined as Abbott's net global pharmaceuticals sales excluding Humira, TRILIPIX / TriCor, Niaspan and Kaletra.



Revenue From AndroGel, Synagis and Other was $9 billion in 2007 and declined marginally to $8.2 billion by 2009 before recovering to $10.4 billion in 2010 and $11.5 billion in 2011. We expect that these revenues will steadily increase going forward, eventually approaching $16 billion by the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. GROWING PRESENCE IN INTERNATIONAL AND EMERGING MARKET – We expect emerging markets to grow at a faster pace than developed markets due to growth in income and healthcare. Abbott has a global footprint and as such we expect it to benefit strongly from this growth. Abbott has opened six manufacturing and R&D facilities for its nutrition and pharmaceuticals businesses in the Asia Pacific region during the past three years, including three in China. The 2010 acquisitions of Solvay, Piramal Healthcare and investments in other emerging markets such as Brazil and China position Abbott well to capitalize on growth opportunities in these markets.
2. RELATIVELY FEW PATENT EXPIRIES – Abbott's current portfolio has fewer losses of patent protection than many competitors, and we expect this protection should allow for healthy long-term growth.

3. ALLIANCES & LICENSING ARRANGEMENTS TO BOLSTER MARKET SHARE – In 2010, Abbott signed a licensing and supply agreement with Zydus Cadila. Under the agreement, Abbott will gain rights to many Zydus products in major markets, primarily in Eastern Europe, Latin America and Asia, where Abbott has a strong and growing presence. Various such current and future alliances, partnerships and licensing arrangements present significant revenue potential.

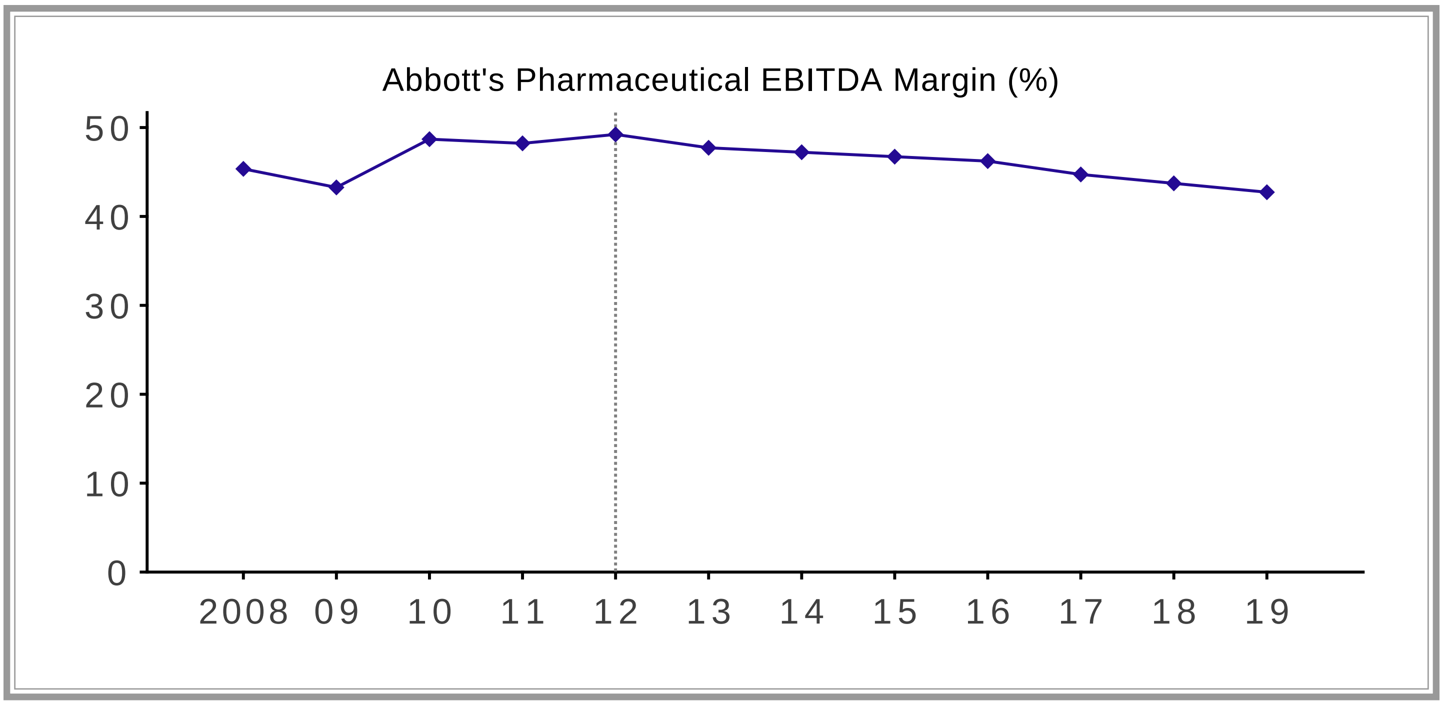
Mitigating:

4. INTENSE COMPETITION WITHIN PHARMACEUTICAL INDUSTRY – The pharmaceutical industry is characterized by intense competition globally, as many companies compete for the same consumer base. Drug prices remain one of the most important factors for any company. The industry is also facing challenges from a number of low-cost generic manufacturers who have entered the market as well as relatively lax intellectual property laws in some emerging markets.
5. RELATIVELY WEAK PIPELINE – In addition to its current pipeline, Abbott continues to grow a mid- and late-stage, but relatively weak, drug pipeline. These products may not be able to provide significant sales and growth opportunities in the near-term.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S PHARMACEUTICAL EBITDA MARGIN —

This represents Abbott's earnings before interest, taxes, depreciation and amortization (EBITDA) for pharmaceuticals, expressed as a percentage of the division's revenue. We exclude some one-time items in calculating EBITDA, and also adjust for pension expenses and other items.



Abbott's Abbott's Pharmaceutical EBITDA Margin increased to 48.2% in 2011 from 46.2% in 2007 mainly due to favorable foreign exchange impacts. We expect Pharmaceutical EBITDA margins to decline through the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. LOSS OF PATENT PROTECTION TO PUT PRESSURE ON ABBOTT'S PRICING POWER – Tricor will lose patent exclusivity in 2012 post licensing agreement with Teva in November 2009, whereby Teva may launch a generic version of Tricor. Kaletra will lose its U.S. patent exclusivity in 2016, after which generic versions of the drug will be allowed to enter the market. Kos (acquired by Abbott) and Barr (now part of Teva) reached a settlement agreement in 2005 whereby Barr can market generic versions of Niaspan beginning September 2013. Similarly, Abbott has settled its patent litigation with Impax Laboratories. Trilipix is set to face competition from mid 2013, when Impax begin to manufacture generic version of the drug.
2. PROSPECTIVE COMPETITION FROM ORAL PILLS, BIOSIMILARS TO WEAKEN ABBOTT'S PRICING POWER – Abbott's blockbuster drug Humira is facing competition from JAK inhibitors, experimental oral drugs that are expected to be launched by mid-2012. Also, The Affordable Care Act, signed into law in March 2010, clears a path for biosimilars. Increased competition could force Abbott to lower prices.
3. GROWING INTERNATIONAL SALES LIKELY TO REQUIRE LOWER PRICES – Abbott's pharmaceutical sales from international market have been growing rapidly. Generally, the margins from international markets are lower than in the U.S. market due to the higher price sensitivity of consumers.
4. UNITED STATES HEALTH CARE REFORMS – Health care reforms included a mandated increase in the Medicaid rebate. Also, the non-deductible pharma industry fees (classified as SG&A expense) will modestly hit margins.
5. ETHICAL & HUMANITARIAN OBLIGATIONS MAY FORCE PRICES DOWN – The ethical nature of categories such as HIV antiviral could force Abbott to sell drugs for lower prices in special circumstances such as aid to poor nations and epidemics.
6. INTENSE COMPETITION WITHIN PHARMACEUTICAL INDUSTRY – Pharmaceutical industry has intense competition globally, where multiple companies compete for the same consumer base. Drug prices remain one of the most important factors for any drug. The industry is also facing challenges from a number of low-cost generic manufacturers who have entered the market.

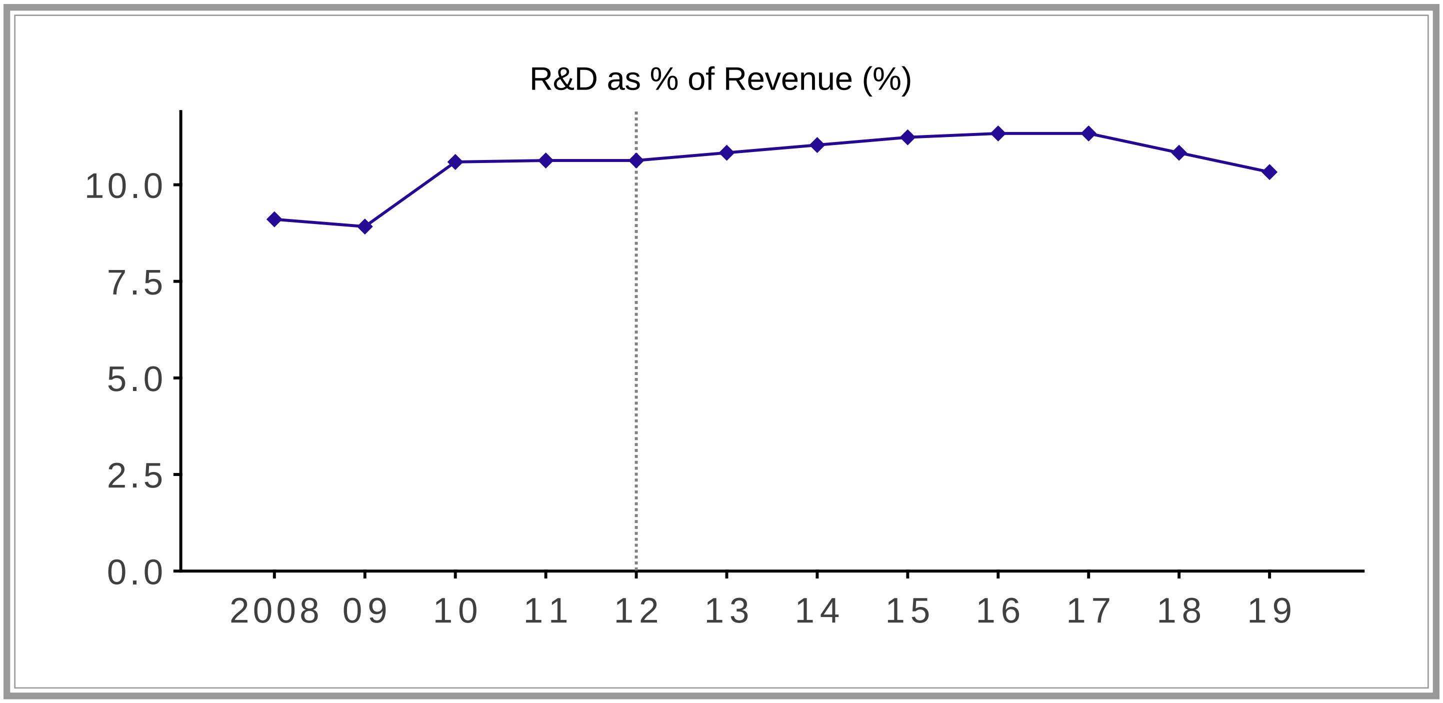
Mitigating:

7. MARKET LEADERSHIP POSITION OF MANY PATENTED PRODUCTS – Abbott's products with patent protection remain market leaders in their respective segments. For example, Humira is approved in 83 countries and treats nearly 500,000 patients worldwide and is set to replace Lipitor as the world's best-selling drug when Lipitor's patent expires. Abbott can leverage its market-leading position to keep prices at somewhat of a premium despite the aforementioned pressures.
8. MANAGEMENT FOCUSED ON COST CUTTING AND IMPROVING EFFICIENCY – Abbott's margins are lower than many major competitors, which suggests that operating efficiencies could be improved. Accordingly management approved a restructuring plan which will reduce costs (and will include headcount reductions) and should improve efficiency.
9. MERGER SYNERGIES COULD BOOST MARGINS – Abbott's recent acquisitions should help the company improve margins by reducing duplicative R&D, marketing and salary expenses, and also generating bigger volume discounts.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— R&D AS % OF REVENUE —

Research & Development Expense (R&D) is the use of funds to develop new products and processes for future growth. We forecast Abbott's R&D expenses as a percentage of revenue.



R&D as % of Revenue hovered between 9% and 10% from 2007 to 2011. We expect that it will slightly increase for next few years before declining till the end of the Trefis forecast period.

Forecast Rationale
We expect that Abbott will spend on R&D to strengthen its pipeline to fend-off revenue losses from patent expiry of its largest drug Humira. Thereafter, the company may more efficiently spend due to the effects from its cost cutting programs.
Sources for historical data and explanations can be found on the Trefis.com website (link)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	9.24	8.16	10.4	11.5	11.1	11.6	12.1	12.5	13.0	13.3	13.8	14.2
Direct Expense (Bil $)	5.05	4.63	5.33	5.98	5.63	6.08	6.39	6.67	6.97	7.38	7.74	8.11
Indirect Expense (Bil $)	1.00	1.97	1.01	2.74	2.47	2.80	3.04	3.17	3.27	3.28	3.26	3.24
Adjusted EBITDA (Bil $)	4.19	3.53	5.06	5.57	5.45	5.55	5.71	5.85	5.99	5.97	6.01	6.05
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	2.98	2.75	2.67	2.68	2.72	2.70	2.76	2.81

In addition, you can see the detailed P&L for the AndroGel, Synagis and Other business in the Appendix (link)

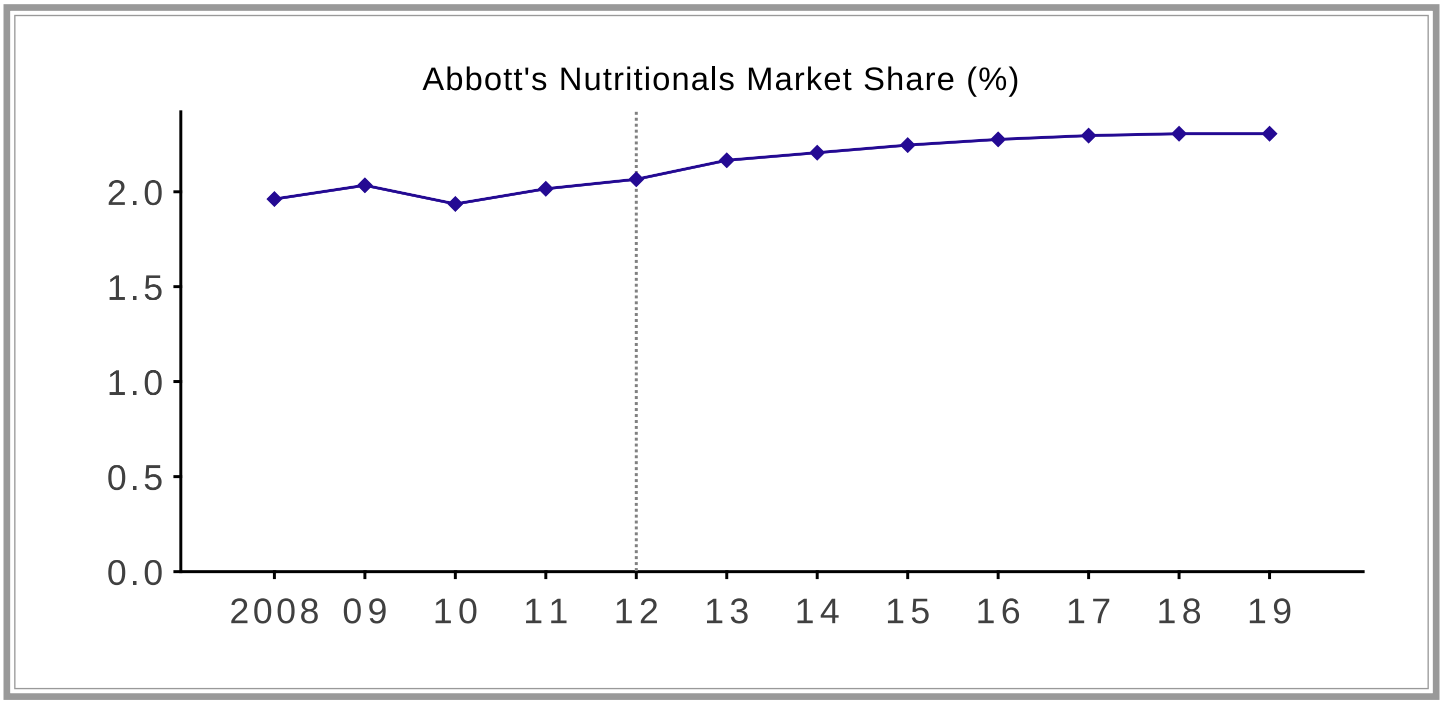
Nutritionals

The most important drivers for the Nutritionals business are:

- Abbott's Nutritionals Market Share
- Nutritionals Market Size
- Abbott's Nutritionals EBITDA Margin
- R&D as % of Revenue

— ABBOTT'S NUTRITIONALS MARKET SHARE —

This represents Abbott's nutritional sales expressed as a percentage of the total nutritionals market.



Abbott's nutritional products had a market share of 1.9% in 2007 which stayed generally steady through 2010.

We expect Abbott's nutritional share to increase gradually going forward, eventually exceeding 2.2% by the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. ABBOTT TO BENEFIT FROM RAPIDLY GROWING EMERGING MARKET – Emerging markets are likely to drive significant growth in the nutritional market. Abbott has opened six manufacturing and R&D facilities in its nutrition and pharmaceuticals businesses in the Asia Pacific region during the past three years, including three in China. The company should be able to leverage its global presence and increased penetration in emerging markets to capture additional market share.
2. INCREASE IN R&D DEVELOPMENT – Abbott's anticipated increase in research and product development should help accelerate its pipeline. Should any of these new products make inroads in their respective segments it would result in additional share for the company.
3. POTENTIAL SYNERGIES FROM ACQUISITIONS COULD DRIVE GROWTH – Abbott has recently made several acquisitions including Solvay and Piramal Healthcare. If Abbott is able to leverage its global presence and relationships it could

drive expansion of the acquired brands.

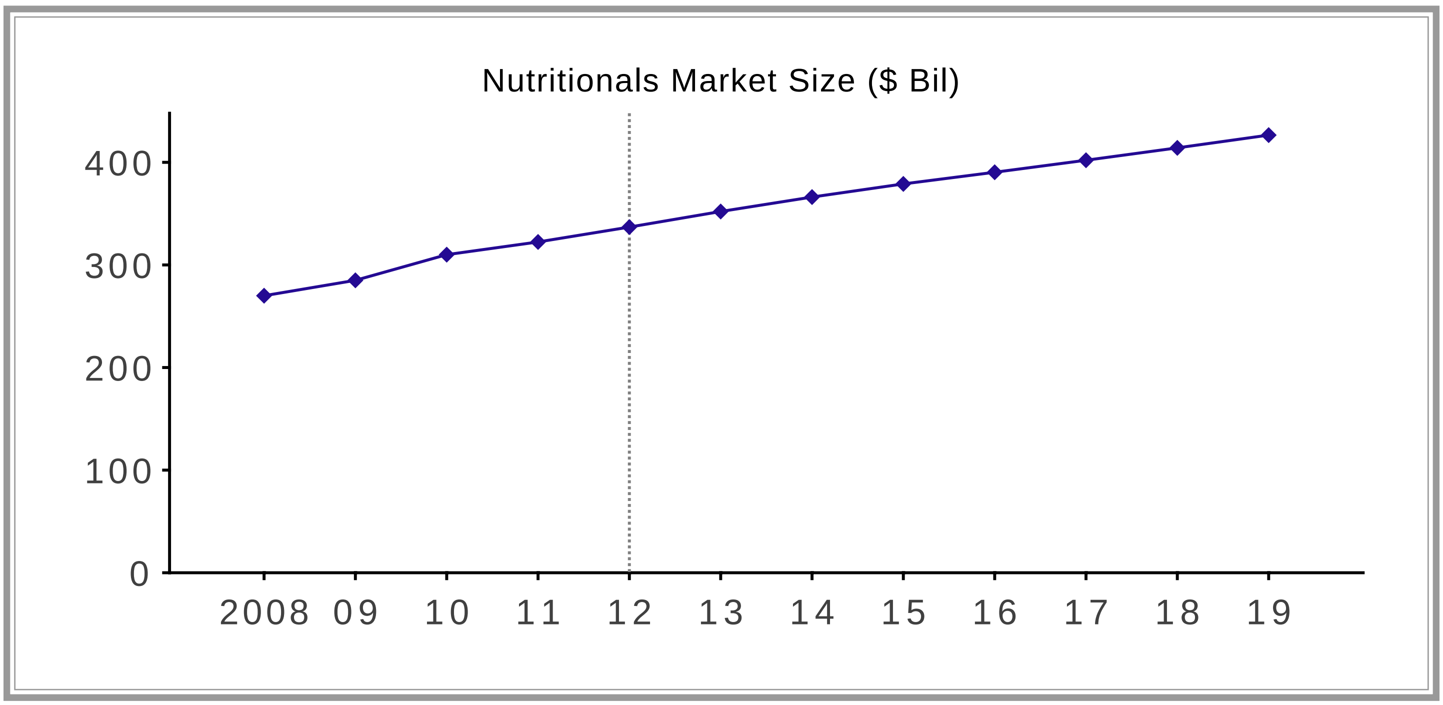
Mitigating:

4. VOLUNTARY RECALL OF SIMILAC POWDER – In 2010, Abbott voluntary recalled certain Similac-brand powder infant formulas which did not meet quality standards. If this has a lasting impact on the copmany's brand image it will hurt revenues and market share.
5. INTENSE COMPETITION – The nutritional industry is highly fragmented, and large pharmaceutical companies and packaged food and beverage companies compete for the same consumer base. Competition is based on price, quality, customer service, and availability of new products. New entrants may intensify the price war to take market share.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— NUTRITIONALS MARKET SIZE —

This represents the global spending on nutritional products which include dietary supplements, functional foods, and clinical / medical foods.



Global spending on nutritional products increased from $250 billion in 2007 to $310 billion in 2010. We expect this market segment to grow by 3-4% each year through the end of the Trefis forecast period.

Forecast Rationale

Supporting:

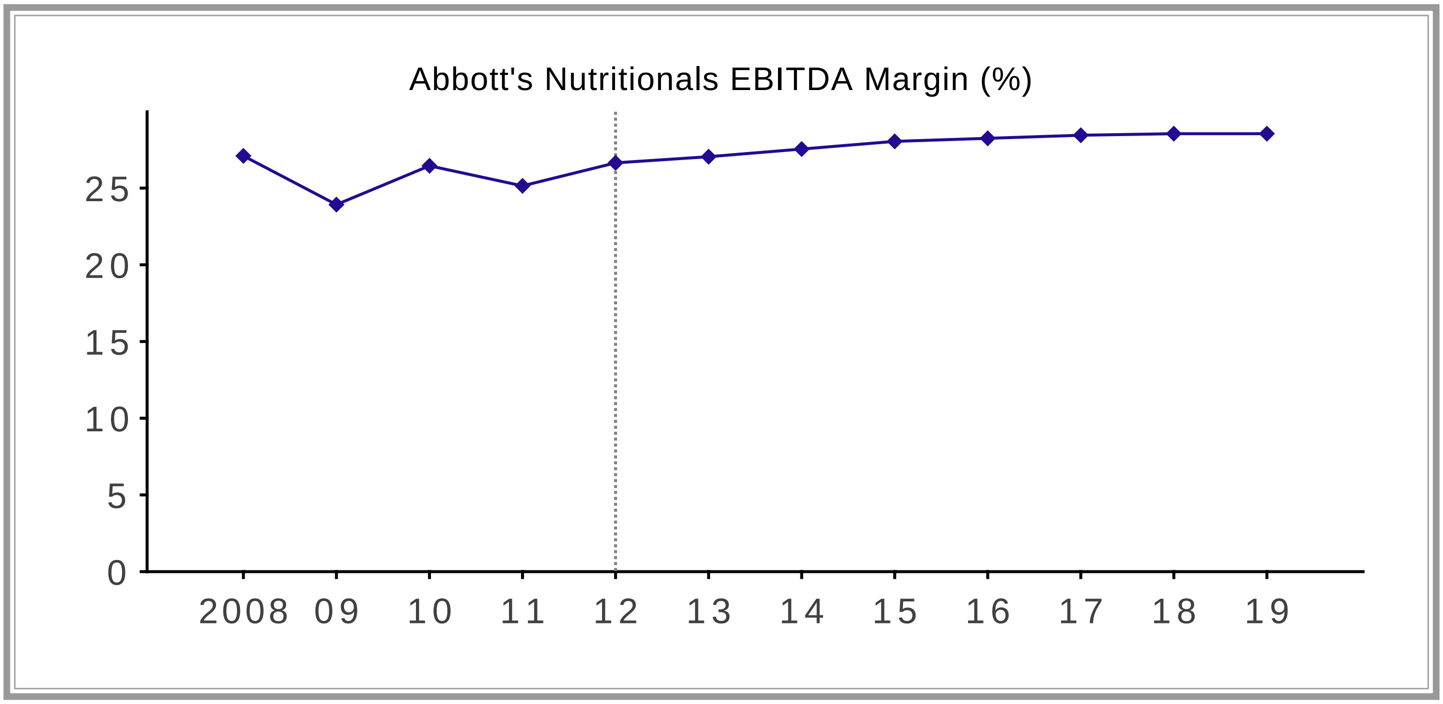
1. RISING HEALTH CONSCIOUSNESS – New studies, and increased access to information, have led to rapidly growing demand for nutritional supplements.
2. EMERGING MARKETS TO BE THE GROWTH ENGINE – As the middle class continues to grow in markets such as China and India, discretionary spending is likely to increase accordingly. Supplements and other nutritional products are generally considered discretionary, and demand will likely increase as a greater number of people can afford these goods.

3. INCREASING NUMBER OF WORKING WOMEN – As the number of working women continues to increase, particularly in emerging markets, the pediatrics nutrition market is likely to increase.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S NUTRITIONALS EBITDA MARGIN —

This represents Abbott's earnings before interest, taxes, depreciation and amortization (EBITDA) for its Nutritional division, expressed as a percentage of the division's revenue. We make certain adjustments to arrive at EBITDA figures, which are explained in the explanation of historical data.



Abbott's Nutritionals EBITDA Margin declined to 25.1% in 2011 from 29.7% in 2007.

We expect Abbott's Nutritionals EBITDA Marginto recover going forward, eventually approaching 28.5% by the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. VARIOUS COST CUTTING MEASURES TO BOOST MARGINS – Abbott's margins in the nutritional business are significantly lower than some major competitors. The company has taken cost cutting measures such as building facilities closer to customers in emerging markets in order to cut distribution costs. Management also reiterated its intention to improve production scale and yields, reduce materials costs and improve its product mix in order to expand margins.
2. MERGER SYNERGIES MAY BOOST MARGINS – Abbott has recently made various acquisitions including Solvay and Piramal Healthcare. Any potential synergies could allow Abbott to cut costs through reduced R&D costs, lower marketing and distribution costs, the elimination of redundant jobs and larger volume discounts.

Mitigating:

3. INTENSE COMPETITION – The nutritional industry is highly fragmented, with large pharmaceutical companies and packaged food and beverage companies competing for the same consumer base. Competition is based on price, quality, customer service, and availability of new products. New entrants may intensify price-based competition, forcing players to lower prices and compress margins.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	5.30	5.80	6.00	6.50	6.96	7.63	8.08	8.51	8.88	9.23	9.55	9.84
Direct Expense (Bil $)	3.86	4.41	4.41	4.87	5.11	5.56	5.85	6.12	6.37	6.61	6.82	7.03
Indirect Expense (Bil $)	0.34	0.77	0.32	0.81	0.84	1.04	1.18	1.29	1.37	1.44	1.48	1.50
Adjusted EBITDA (Bil $)	1.44	1.39	1.59	1.63	1.85	2.06	2.22	2.39	2.51	2.63	2.73	2.81
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	1.01	1.02	1.04	1.09	1.14	1.19	1.25	1.30

In addition, you can see the detailed P&L for the Nutritionals business in the Appendix (link)

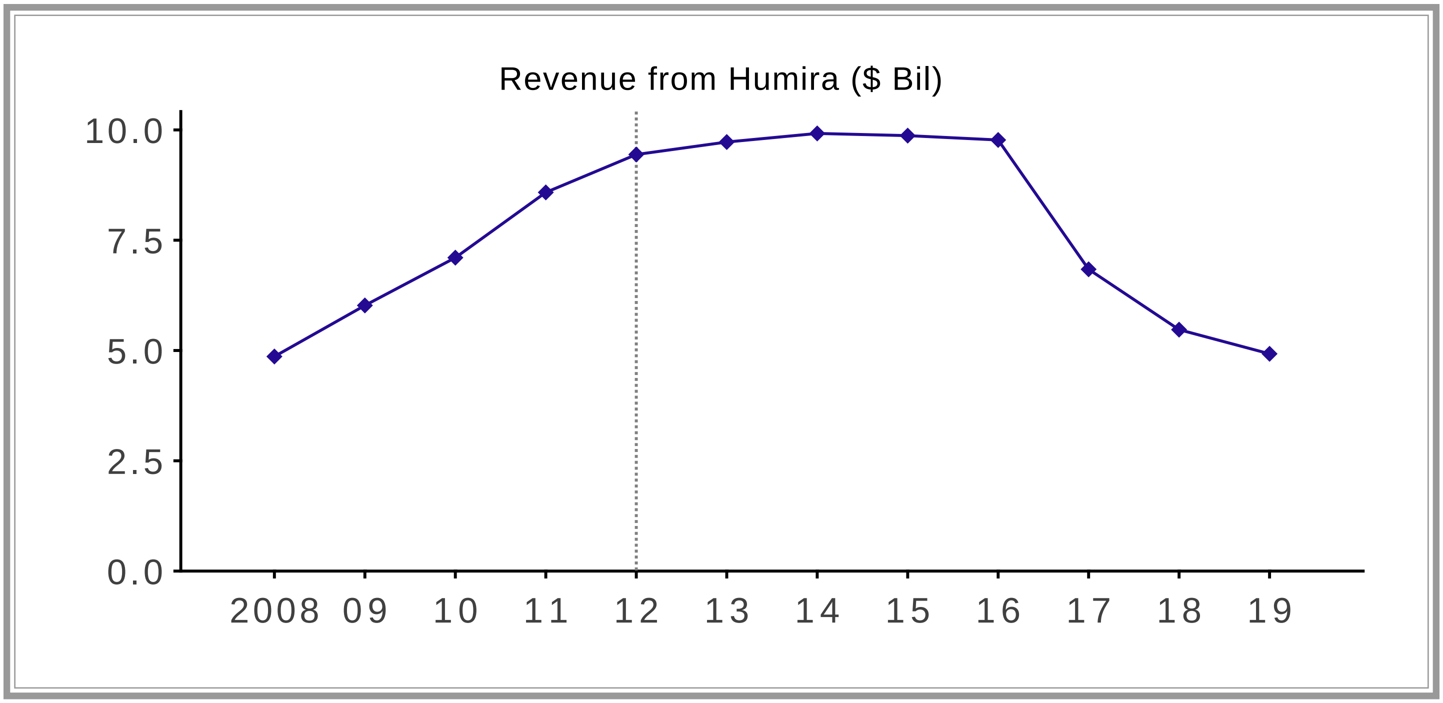
Humira (Autoimmune)

The Humira (Autoimmune) division is part of the Pharmaceuticals business, and constitutes 15.9% of our $67.47 price estimate for the stock, based on our sum of the parts analysis.The most important drivers for the Humira (Autoimmune) business are:

- Revenue from Humira
- Abbott's Pharmaceutical EBITDA Margin
- R&D as % of Revenue

— REVENUE FROM HUMIRA —

This represents the net global sales of Abbott's Humira drug.



Revenue from Humira were $3.3 billion in 2007, which increased to $8.5 billion in 2011 due to the launch of Humira in five additional indications. New indications are new applications of a drug for an existing prevention, diagnosis or treatment of a disease. We expect Revenue from Humira to increase slightly over the next 2 years before gradually declining, then dropping sharply by the end of the Trefis forecast period once its patent expires.

Forecast Rationale

Supporting:

1. COMPETITION FROM ORAL PILLS TO HURT GROWTH – Humira is facing competition from JAK inhibitors, experimental oral drugs which are expected to be launched by early 2013. However, any regulatory or clinical delay in these products may increase the sales of Humira.
2. COMPETITION FROM BIOSIMILARS – The Affordable Care Act, signed into law in March 2010, clears a path for biosimilars. Biosimilars are complex equivalents of biotech drugs produced using a different cell bank and/or different process and occasionally yields significantly different effects. However, the FDA is moving carefully to ensure safety and efficacy equivalent to innovator and has not yet come up with any guidelines.
3. PATENT EXPIRES IN 2016 – Humira will lose patent exclusivity in 2016, which will significantly affect revenues by the beginning of 2017. However, generic erosion for biologics is likely much slower and more limited than small molecules.

Mitigating:

4. EXPANSION OF INDICATIONS – Abbott is developing a number of additional indications for Humira and is working to advance its early discovery programs and other potential biologic targets. Humira is currently under U.S. and European regulatory review for ulcerative colitis, an inflammatory condition of the large intestine.If these new indications are approved, it will boost revenues from Humira.
5. INCREASING PENETRATION IN NEW MARKETS – Abbott is targeting newer markets such as Brazil, Japan, China, Russia which will further help Humira increase market share. Humira is already approved in 83 countries, but with global penetration rates for biologics still low across indications, there is significant potential for growth.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S PHARMACEUTICAL EBITDA MARGIN —

See our analysis of Abbott's Pharmaceutical EBITDA Margin in the AndroGel, Synagis and Other division here.

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	4.86	6.02	7.10	8.58	9.44	9.73	9.92	9.87	9.77	6.84	5.47	4.93
Direct Expense (Bil $)	2.66	3.42	3.64	4.44	4.79	5.08	5.24	5.26	5.25	3.78	3.08	2.82
Indirect Expense (Bil $)	0.53	1.45	0.69	2.04	2.11	2.34	2.49	2.50	2.47	1.68	1.30	1.13
Adjusted EBITDA (Bil $)	2.21	2.61	3.46	4.14	4.65	4.64	4.68	4.61	4.52	3.06	2.39	2.10
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	2.54	2.30	2.19	2.11	2.05	1.38	1.10	0.98

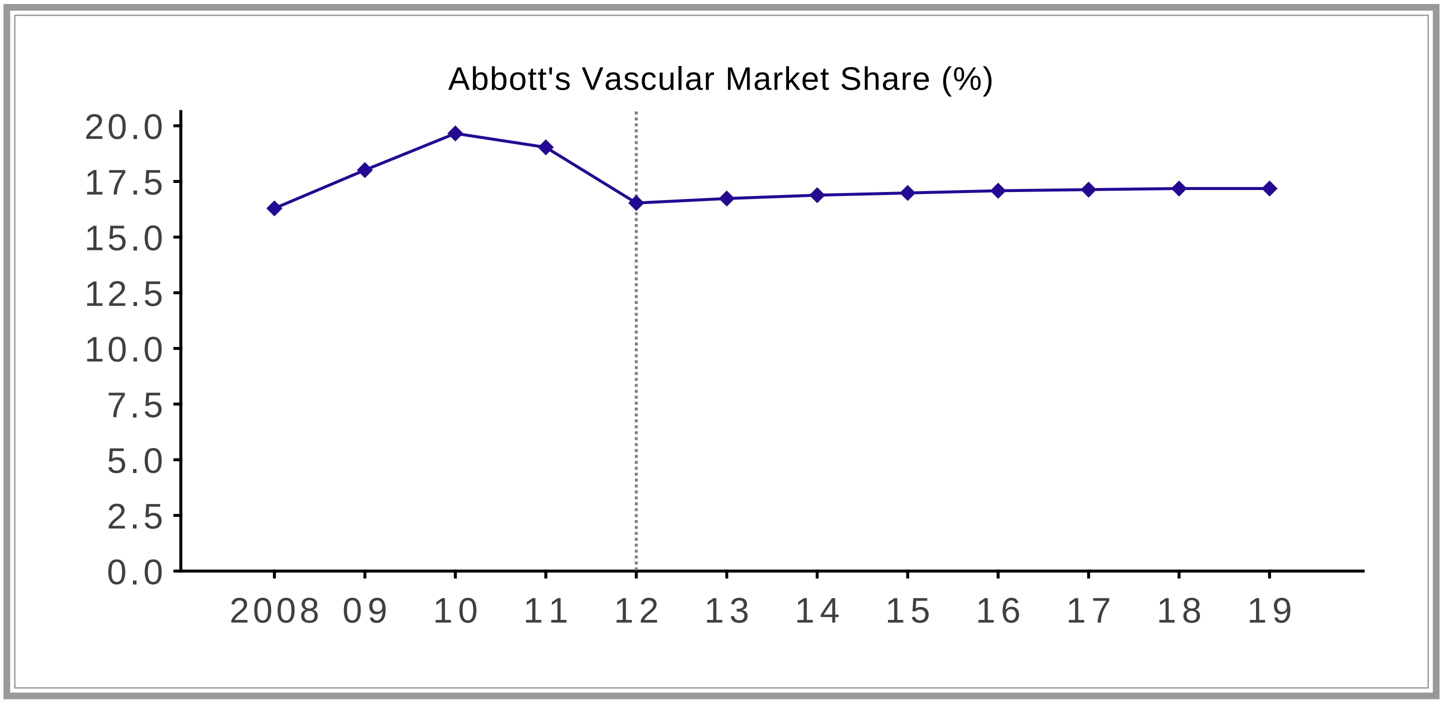
In addition, you can see the detailed P&L for the Humira (Autoimmune) business in the Appendix (link)

Vascular

The most important drivers for the Vascular business are:
- Abbott's Vascular Market Share
- Vascular Market Size
- Abbott's Vascular EBITDA Margin
- R&D as % of Revenue

— ABBOTT'S VASCULAR MARKET SHARE —

This is defined as Abbott’s net global sales from vascular products as a percentage of total worldwide spending on minimally invasive surgical devices.



Abbott's vascular products had a market share of 13.1% in 2007 within this segment, which increased marginally to 19.6% in 2010. We expect a near-term decline followed by a modest recovery to about 19.2% by the end of the Trefis forecast period.

Forecast Rationale

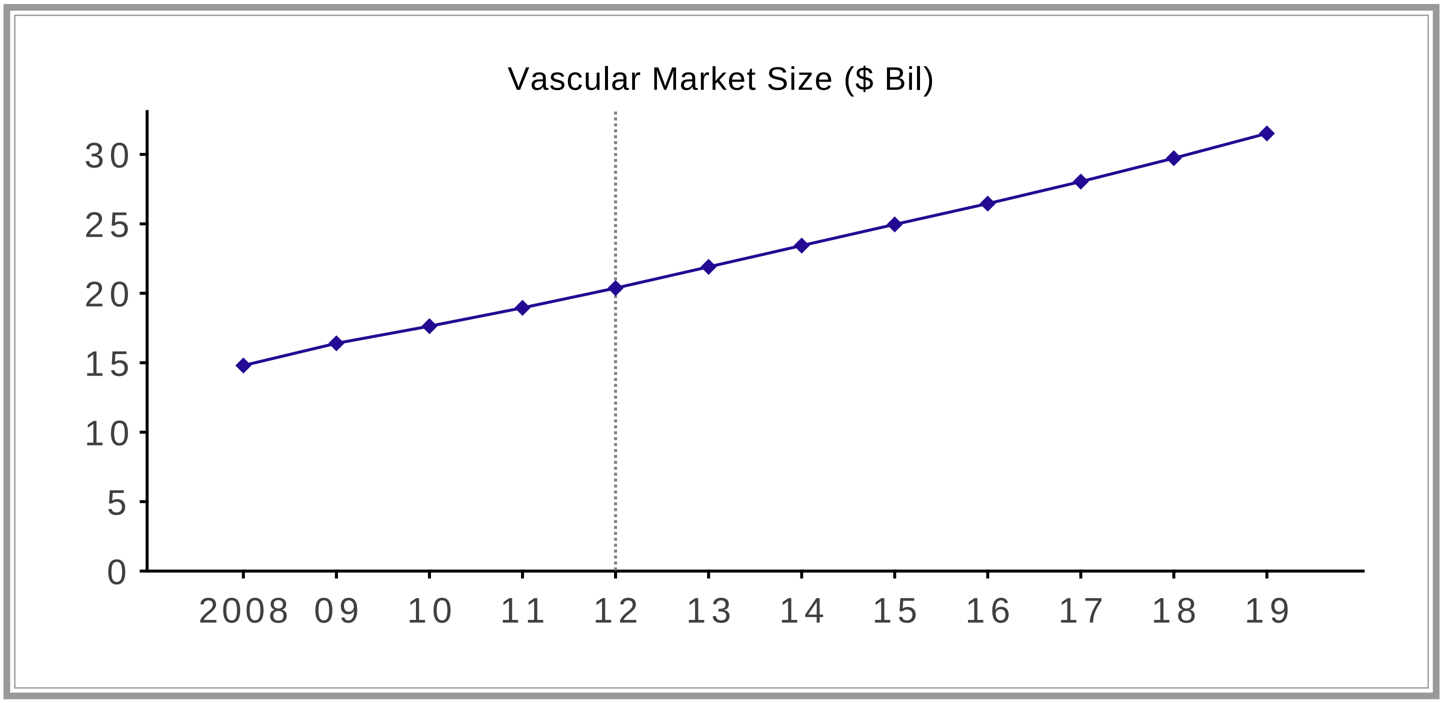
Supporting:

1. INNOVATION AND ADVANCEMENT IN PIPELINE – Abbott has a robust pipeline in coronary stents and is working on well-staged advances as well as innovative technologies to capture additional market share. In 2011, Abbott received European approval for Absorb, the world's first drug-eluting bioresorbable (don't require mechanical removal) vascular scaffolds. In addition, Abbott launched MitraClip in Europe, which treats the most common heart valve defect in the world which is estimated to affect 8 million people in the United States and Europe.
2. GLOBAL LEADER IN VASCULAR CARE – Abbott has more than 100 brands across 12 product segments in its product portfolio and over 7 million people worldwide have been treated with Abbott's vascular stents and devices to open clogged arteries. Abbott's vascular segment has been the company's largest contributor to growth of late due to the success of the XIENCE/PROMUS coronary stents. A vast portion of cardiovascular market, in which Abbott is a distinguished leader, remains untapped. Nearly 17 million people die of cardiovascular diseases each year.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— VASCULAR MARKET SIZE —

This is defined as total global spending on minimally invasive surgical devices. Minimally invasive (MIS) surgery is less invasive than open surgery and performed without making a major incision or opening. This causes less patient trauma and speeds up recovery times. MIS also yields significant cost savings than an equivalent invasive procedure.



Global spending on vascular devices increased from $13.8 billion in 2007 to $17.6 billion in 2010. We expect this market segment to grow by 6-8% each year till the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. TECHNOLOGICAL ADVANCES TO DRIVE THE MARKET – This is an innovation-driven market. Recent technological advances have expanded the range of surgical procedures that can be performed using minimally invasive techniques. New and innovative technologies will create significant opportunities for the minimal invasive market in the future.
2. AGING POPULATION TO INCREASE DEMAND – As life expectancies increase worldwide and the "baby boomer" generation ages, the average age of the population will increase. This will likely result in more surgical needs, boosting the minimally invasive surgical devices market.

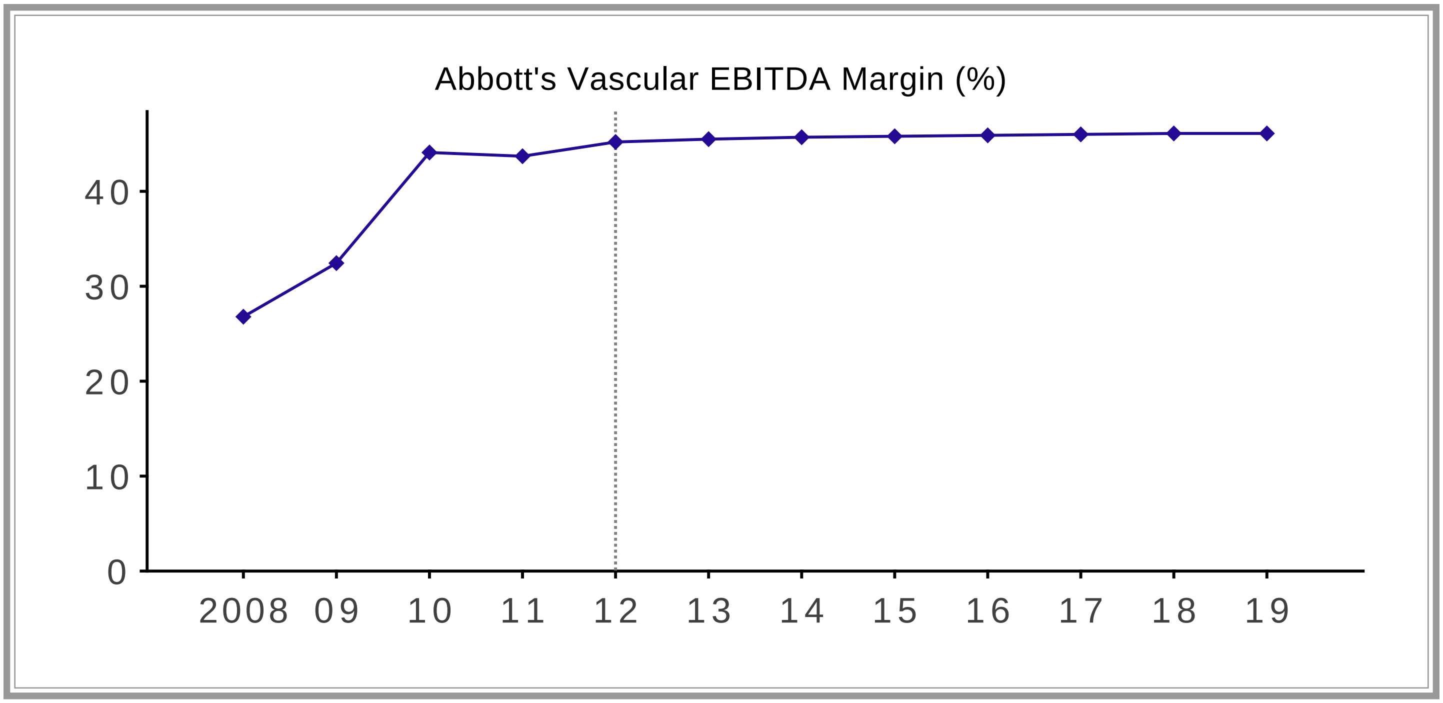
Mitigating:

3. REGULATORY HURDLES TO LIMIT GROWTH – As this is an innovation-driven market, the product life cycle is generally rather short. Accordingly, getting timely regulatory approval can be a challenge in the market and could cap growth going forward.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S VASCULAR EBITDA MARGIN —

This represents Abbott's earnings before interest, taxes, depreciation and amortization (EBITDA) for its Vascular division, expressed as a percentage of the division's revenue. We make certain adjustments to arrive at EBITDA figures, which are described in the explanation of historical data.



Abbott's Vascular EBITDA Margin increased from about 12% in 2007 to 43% in 2011.
We expect margins to gradually improve going forward, eventually reaching about 46% by the end of the Trefis forecast period.

Forecast Rationale
Supporting:

1. GLOBAL LEADER IN VASCULAR CARE – Abbott has more than 100 brands across 12 product segments in its product portfolio and over 7 million people worldwide have been treated with Abbott's vascular stents and devices to open clogged arteries. Abbott's vascular segment has been the company's largest contributor to growth of late, growing at a double digit rate due the success of the XIENCE/PROMUS coronary stents. Margins for the vascular business have also improved substantially driven by the success of the XIENCE platform.
   We believe that there is still room to further leverage its market leadership position to improve margins.
2. MANAGEMENT FOCUSED ON COST CUTTING AND IMPROVING EFFICIENCY – Abbott's margins are lower than many major competitors, which suggests that operating efficiency could be improved. Accordingly management approved a restructuring plan which will reduce costs (and will include headcount reductions) and should improve efficiency.

Mitigating:

3. HEALTH CARE REFORMS – Recently, several governments have announced health care reforms and austerity programs which have forced companies to reduce prices to drive down overall healthcare costs. Should prices continue to be driven downward it would negatively impact margins.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	2.41	2.95	3.47	3.61	3.37	3.66	3.96	4.24	4.52	4.80	5.11	5.41
Direct Expense (Bil $)	1.76	2.00	1.94	2.03	1.85	2.00	2.15	2.30	2.44	2.59	2.75	2.92
Indirect Expense (Bil $)	0.15	0.53	0.30	0.78	0.69	0.84	0.96	1.05	1.13	1.21	1.27	1.34
Adjusted EBITDA (Bil $)	0.65	0.96	1.53	1.58	1.52	1.67	1.81	1.94	2.07	2.21	2.35	2.50
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	0.83	0.83	0.85	0.89	0.94	1.00	1.08	1.16

In addition, you can see the detailed P&L for the Vascular business in the Appendix (link)

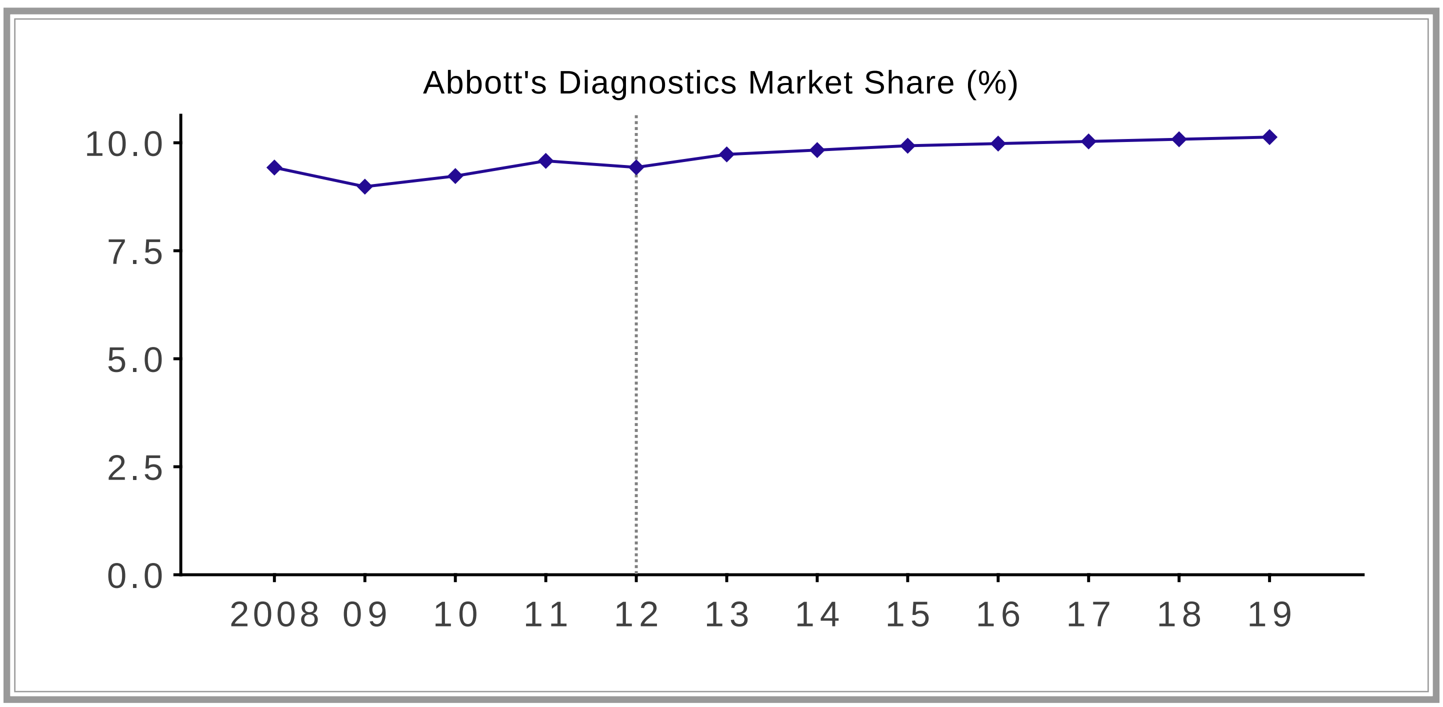
Diagnostics

The most important drivers for the Diagnostics business are:

- Abbott's Diagnostics Market Share
- Diagnostics Market Size
- Abbott's Diagnostics EBITDA Margin
- R&D as % of Revenue

— ABBOTT'S DIAGNOSTICS MARKET SHARE —

This represents Abbott's net global sales from diagnostic products as a percentage of the total worldwide spending on in-vitro diagnostic products.



Abbott's diagnostic products had a market share of 9.0% in 2007 within this segment, which increased marginally to 9.2% in 2010.

Forecast Rationale

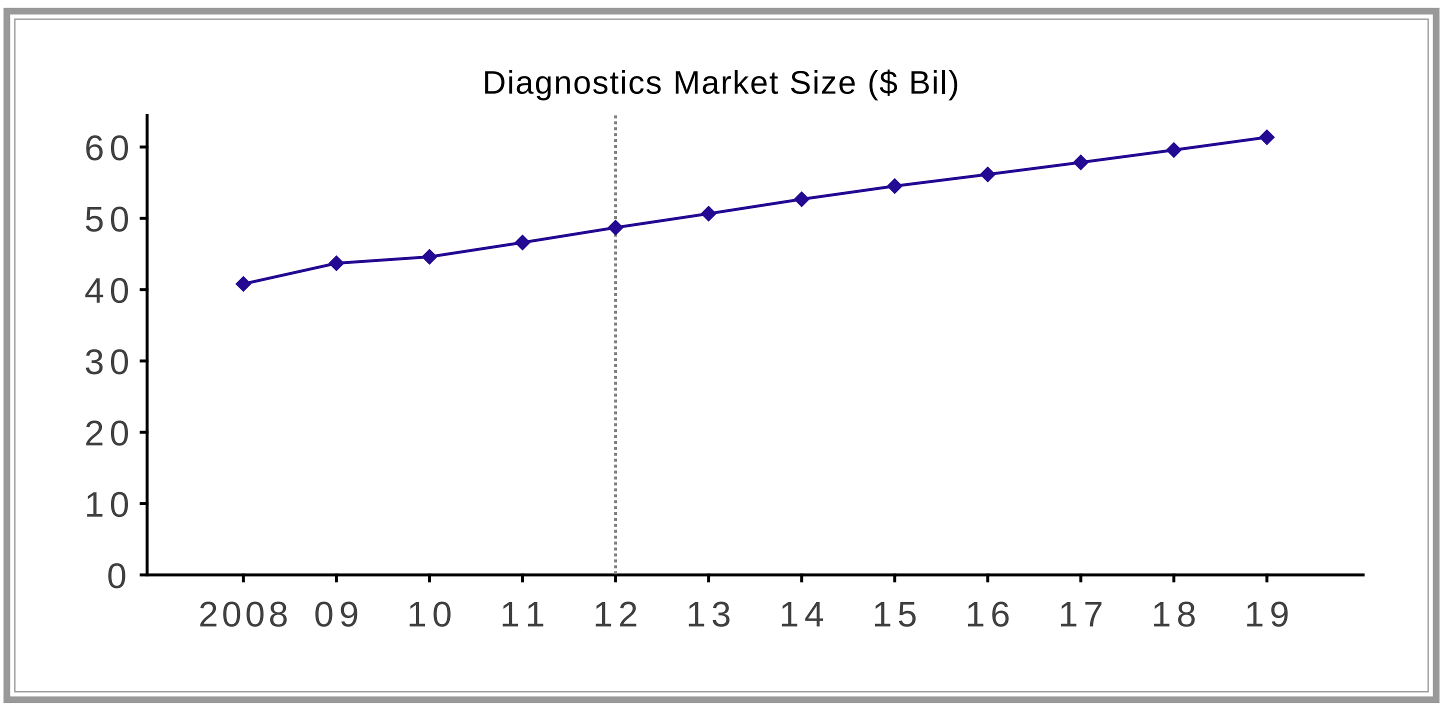
Supporting:

1. ABBOTT TO BENEFIT FROM RAPID GROWTH IN EMERGING MARKETS – Emerging markets have been experiencing rapid growth and Abbott has focused on expanding its footprint in these markets. Abbott has a strong presence in rapidly growing markets like China, India, and Brazil. Accordingly it is well-positioned to gain share over the next few years.
2. STRONG FOCUS ON RESEARCH AND PRODUCT DEVELOPMENT – The company has increased its focus on research and product development, which should help accelerate its pipeline. If the company can translate this focus into new products in the market it should be able to gain share. Abbott recently launched new tests to diagnose HIV and cancer, new molecular assays for cancer and hepatitis. The company is also planning to launch a number of new assays and next-generation systems over the next several years.
3. GROWTH THROUGH ACQUISITIONS – Abbott made several recent acquisitions including Starlims Technologies and Ibis Biosciences. Through the Starlims Technologies acquisition, Abbott has added laboratory informatics systems to its diagnostic segment. The Ibis Biosciences acquisition has strengthened Abbott's position in the fast growing market for molecular diagnostics for infectious disease. The company should be able to leverage its global brand and scale to increase the market share of the acquired companies' products.
4. COLLABORATIONS, ALLIANCES & LICENSING ARRANGEMENTS TO BOLSTER MARKET SHARE – Various current and future alliances, partnerships and licensing arrangements present significant upside potential for revenue growth and should help increase Abbott's market share.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— DIAGNOSTICS MARKET SIZE —

This is defined as global spending on in-vitro diagnostics (IVD) products. In vitro diagnostics tests are diagnoses from assays in a test tube or a controlled environment. An assay is quantitative or qualitative test of a drug to determine its components. Some IVD tests take place in laboratories or under the supervision of health professionals while other tests are for consumers to use at home.



Global spending on in vitro diagnostics increased from $38 billion in 2007 to $44.6 billion in 2010. We expect the market to grow by 3-4.5% each year through the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. INCREASED AVAILABILITY OF ACCURATE AND RAPID TESTS – Recent advances in R&D for in-vitro diagnostics have made available products with accurate and rapid results. IVD tests help in improving patient outcomes and cost savings due to earlier and more precise diagnoses. The product improvement is driving demand growth.
2. INCREASED DEMAND FOR INSTANT RESULTS – Patients are increasingly demanding instant results with the least amount of interference in their lives. The increasing convenience of these in-home tests will drive growth, but it could be offset as the shift towards testing in the home may cannibalize lab-based IVD testing.
3. INNOVATION TO DRIVE MARKET GROWTH – The IVD market is innovation-driven and manufacturers need to constantly improve products and technologies to stay competitive. New and innovative technologies with molecular diagnostic assays will create significant opportunities in the diagnostic markets in the future. In addition, emerging markets with special IVD needs (difficult environments with unregulated infrastructure) are driving new technology initiatives.
4. AGING POPULATION TO INCREASE DEMAND – In many markets the average age is increasing as life expectancies increase and the "baby boomer" generation ages in the U.S. An aging population will boost the diagnostics market.
5. OPPORTUNITIES IN EMERGING MARKETS – Per capita income levels in many emerging markets has been rapidly rising, which should provide an opportunity for growth in the market.

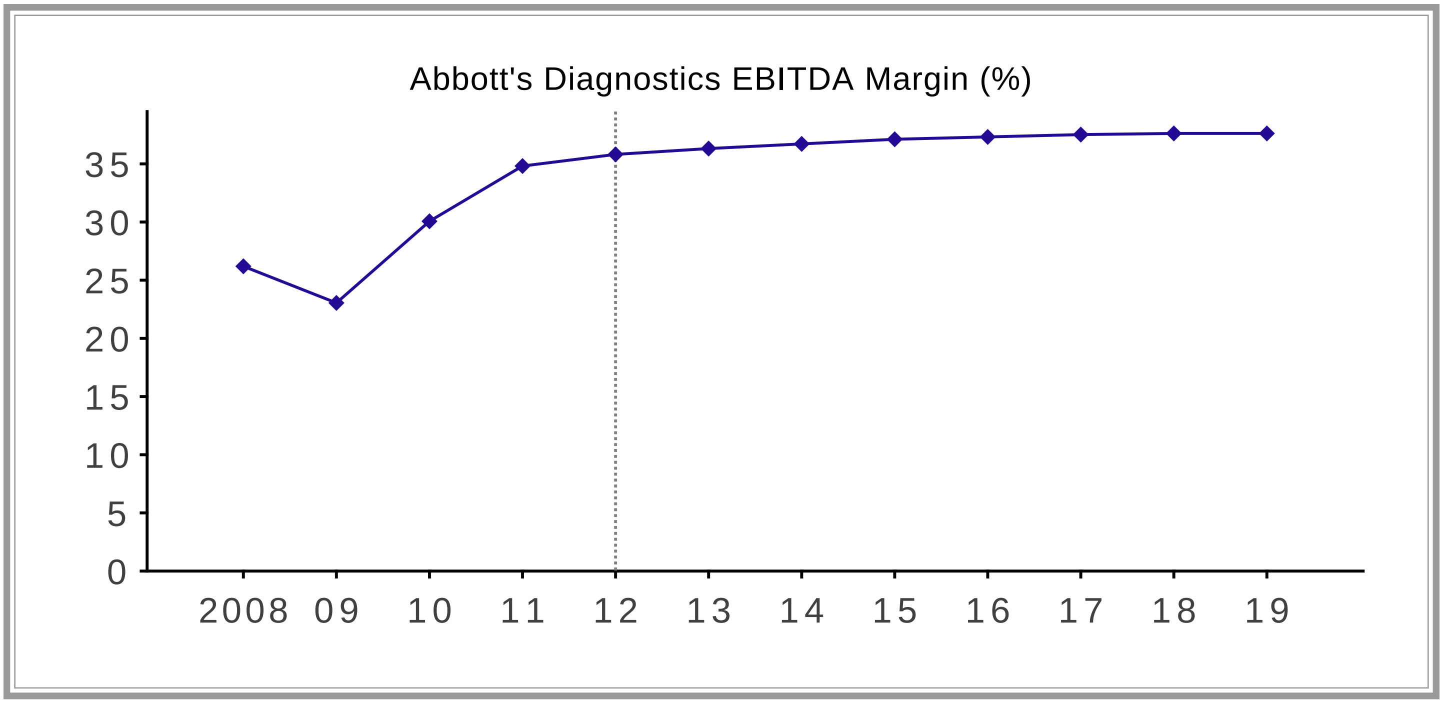
Mitigating:

6. REGULATORY HURDLES LIMIT THE GROWTH OF IVD MARKET – Diagnostic companies have to undergo technical advancements due to the technology-driven nature of the IVD market. However, getting timely regulatory approval is a major challenge for the market, in which products have short life cycles.
7. HIGH RESEARCH AND DEVELOPMENT (R&D) AND MARKETING COSTS – The IVD market is technology-driven and manufacturers need to constantly improve their products and technologies to stay competitive. Huge R&D and marketing investments are required, which inhibits some companies' ability to invest substantially in the industry.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S DIAGNOSTICS EBITDA MARGIN —

This represents Abbott's earnings before interest, taxes, depreciation and amortization (EBITDA) for its Diagnostics division, expressed as a percentage of the division's revenue. We make certain adjustments to arrive at EBITDA figures, which are described in the explanation of historical data.



Abbott's Diagnostics EBITDA Margin increased to 34.8% in 2011 from 25.0% in 2007. We expect margins to keep improving through the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. MANAGEMENT'S FOCUS ON COST-CUTTING AND IMPROVING EFFICIENCY – Abbott's margins are lower than its major competitors which suggest less efficient operations. However, management has recently started focusing on improving cost efficiency to boost margins. Abbott has approved a restructuring plan, including headcount reduction, to reduce costs and increase operating efficiencies.
2. ACQUISITIONS / COLLABORATIONS MAY BOOST MARGINS – Abbott has completed various acquisitions, including Starlims Technologies and Ibis Biosciences. The pharmaceutical industry is innovation-driven, and acquisitions, collaborations, and licensing agreements will boost margins by reducing R&D, marketing and distribution costs.

Mitigating:

3. HEALTHCARE REFORMS – Recently, several governments have announced health care reforms and austerity programs to reduce fiscal deficits. Some of these changes have forced companies to reduce prices. Several other countries are expected follow suit because of economic conditions. This could result in less demand, and potentially lower prices which would hit margins.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	3.85	3.93	4.12	4.47	4.59	4.93	5.18	5.41	5.60	5.80	6.01	6.22

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Direct Expense (Bil $)	2.84	3.02	2.88	2.91	2.95	3.14	3.28	3.40	3.51	3.63	3.75	3.88
Indirect Expense (Bil $)	0.24	0.50	0.25	0.77	0.75	0.90	1.01	1.09	1.14	1.19	1.22	1.25
Adjusted EBITDA (Bil $)	1.01	0.90	1.24	1.55	1.64	1.79	1.90	2.01	2.09	2.18	2.26	2.34
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	0.90	0.89	0.89	0.92	0.95	0.98	1.04	1.09

In addition, you can see the detailed P&L for the Diagnostics business in the Appendix (link)

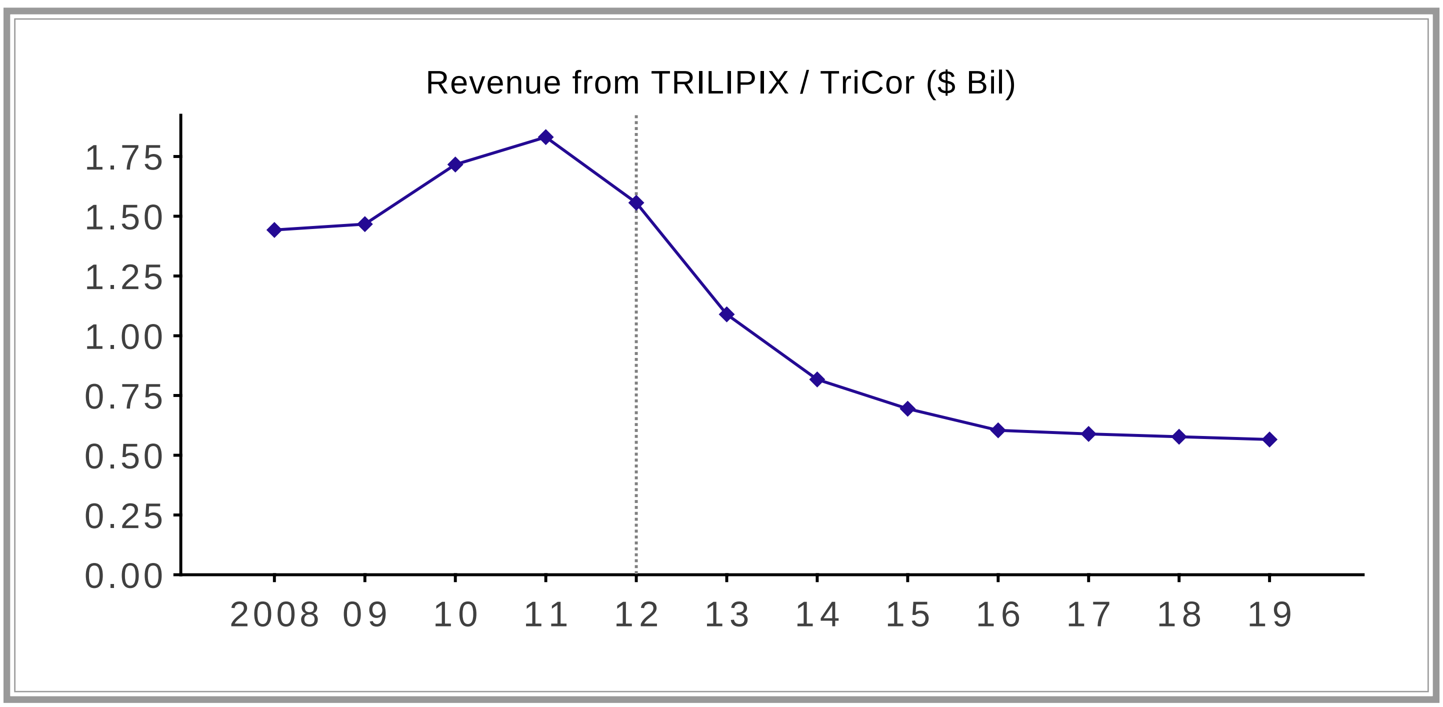
TRILIPIX / TriCor (Lipid Regulator)

The TRILIPIX / TriCor (Lipid Regulator) division is part of the Pharmaceuticals business, and constitutes 1.60% of our $67.47 price estimate for the stock, based on our sum of the parts analysis.The most important drivers for the TRILIPIX / TriCor (Lipid Regulator) business are:

- Revenue from TRILIPIX / TriCor
- Abbott's Pharmaceutical EBITDA Margin
- R&D as % of Revenue

— REVENUE FROM TRILIPIX / TRICOR —

This represents the net global sales of Abbott's TRILIPIX and TriCor drugs.



Revenue from TRILIPIX / TriCor was $1.3 billion in 2007, which increased to $1.8 billion in 2011 due to the international sales contribution from the Solvay acquisition and the launch of TRILIPIX.

We expect Revenue from TRILIPIX / TriCor to decline steeply from 2012 and through the end of the Trefis forecast period due to the launch of generic versions of TriCor in 2012 and TRILIPIX in 2013.

Forecast Rationale

Supporting:

1. RECENT DRUG STUDY A SETBACK FOR FENOFIBRATE-BASED DRUGS – The Action to Control Cardiovascular Risk in Diabetes (ACCORD) Lipid trial recently evaluated the efficacy and safety of fenofibrate plus simvastatin combination therapy. Based on the data from ACCORD, the FDA has suggested that TRILIPIX (fenofibric acid) may not lower a patient's risk of having a heart attack or stroke.
2. LOSS OF PATENT EXCLUSIVITY TO HURT SALES – TriCor will lose patent exclusivity in 2012 following a licensing agreement in November 2009 whereby Teva could launch a generic version of the drug. Similarly, Abbott has settled its patent litigation with Impax Laboratories. TRILIPIX is set to face competition beginning mid-2013, when Impax may begin to manufacture a generic version of the drug.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S PHARMACEUTICAL EBITDA MARGIN —

See our analysis of Abbott's Pharmaceutical EBITDA Margin in the AndroGel, Synagis and Other division here.

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	1.44	1.47	1.72	1.83	1.56	1.09	0.82	0.69	0.60	0.59	0.58	0.57
Direct Expense (Mil $)	788	832	880	948	790	569	431	370	324	325	324	324
Indirect Expense (Mil $)	155	353	166	435	347	262	205	175	152	144	136	129
Adjusted EBITDA (Mil $)	654	634	835	883	766	519	385	324	279	263	252	241
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	418	257	180	148	126	118	115	112

In addition, you can see the detailed P&L for the TRILIPIX / TriCor (Lipid Regulator) business in the Appendix (link)

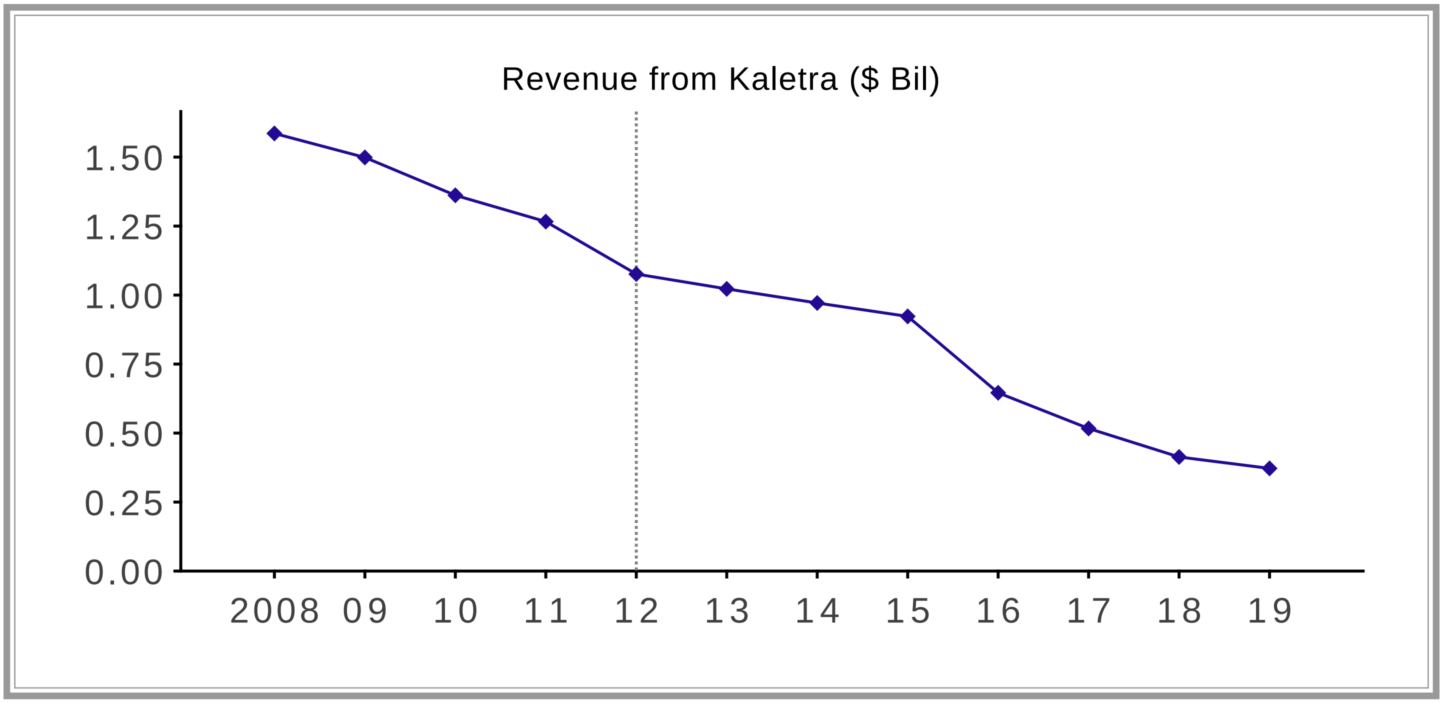
Kaletra (HIV Antiviral)

The Kaletra (HIV Antiviral) division is part of the Pharmaceuticals business, and constitutes 1.31% of our $67.47 price estimate for the stock, based on our sum of the parts analysis.The most important drivers for the Kaletra (HIV Antiviral) business are:

- Revenue from Kaletra
- Abbott's Pharmaceutical EBITDA Margin
- R&D as % of Revenue

— REVENUE FROM KALETRA —

This represents the global sales of Abbott's Kaletra drug.



Revenue from Kaletra was $1.44 billion in 2007, which declined to $1.26 billion by 2010. We expect Revenue from Kaletra to continue its gradual decline, and then drop sharply following its patent expiry in 2016 by the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. EXCLUSION OF KALETRA FROM DHHS PREFERRED LIST – Kaletra was excluded from the list of preferred treatment options in the U.S. Department of Health and Human Services' (DHHS) guidelines. It is now listed as an alternative treatment option, except in pregnant women and young children.
2. PATENT EXPIRY TO HIT SALES – Kaletra will lose its U.S. patent exclusivity in 2016, following which generic versions of the drug will be allowed to enter the market.
3. LITIGATION COULD HAMPER GROWTH – Norvir, manufactured by Abbott, is a boosting agent for other HIV medicines including Kaletra. There have been several lawsuits that allege that Abbott tried to monopolize the market for these Protease Inhibitors. The company was alleged to have quadrupled the price of Norvir, which has no direct

competitor and enhances the impact of Kaletra and other competing drugs, while keeping the price of Kaletra the same. This allegedly monopolized the market as Norvir has no competition and it effectively increased the price of using the competing drugs, which were designed to be taken with Norvir. An adverse ruling in this case could hurt future sales of Kaletra.

Mitigating:

4. ONLY FIXED-DOSE COMBINATION PROTEASE INHIBITOR – Kaletra is at this time the only fixed-dose combination Protease Inhibitor. The convenience of reducing the number of pills to be taken could help Kaletra fight off competition.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S PHARMACEUTICAL EBITDA MARGIN —

See our analysis of Abbott's Pharmaceutical EBITDA Margin in the AndroGel, Synagis and Other division here.

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	1.59	1.50	1.36	1.27	1.08	1.02	0.97	0.92	0.65	0.52	0.41	0.37
Direct Expense (Mil $)	866	850	698	655	546	534	512	491	347	285	232	213
Indirect Expense (Mil $)	171	361	131	301	240	246	244	233	163	126	97.9	85.2
Adjusted EBITDA (Mil $)	719	648	662	610	529	487	458	431	298	231	180	158
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	289	241	214	197	135	104	82.9	73.8

In addition, you can see the detailed P&L for the Kaletra (HIV Antiviral) business in the Appendix (link)

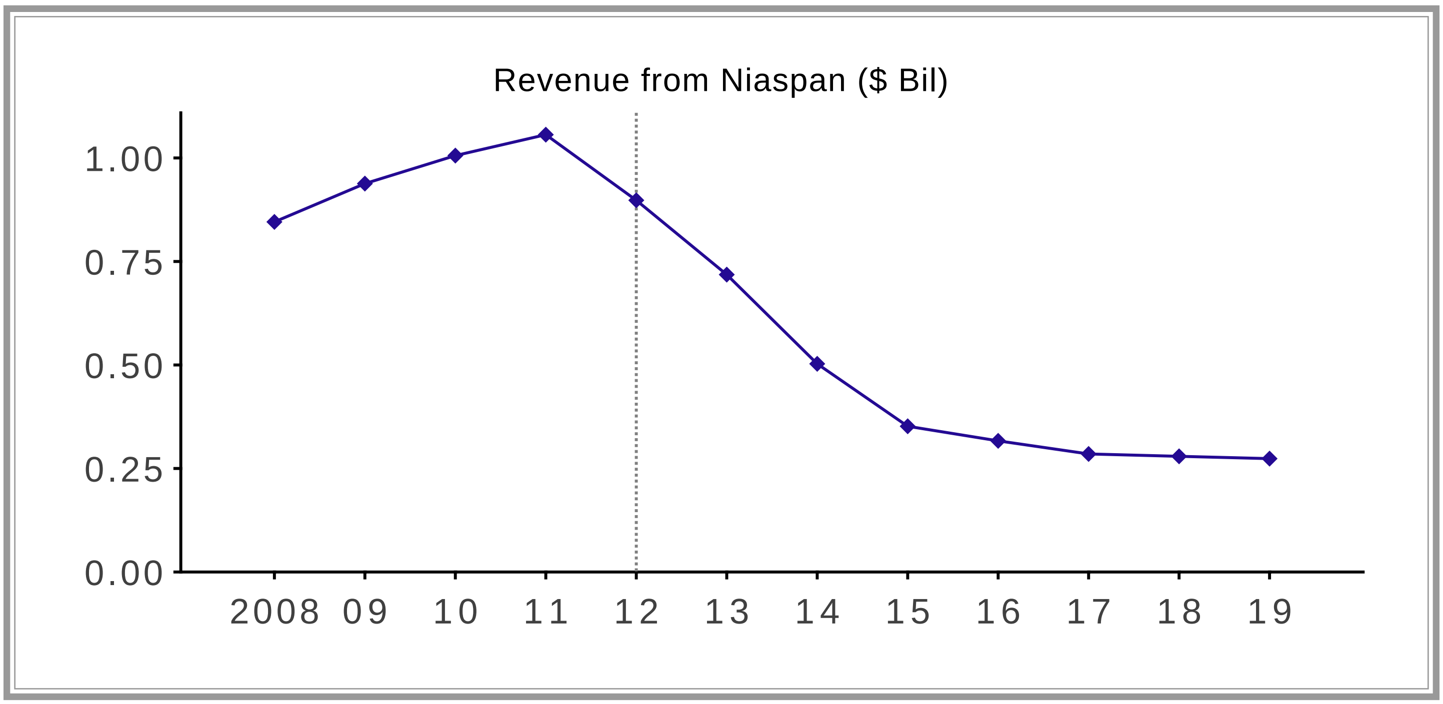
Niaspan (Lipid Regulator- Niacin)

The Niaspan (Lipid Regulator- Niacin) division is part of the Pharmaceuticals business, and constitutes 0.84% of our $67.47 price estimate for the stock, based on our sum of the parts analysis.The most important drivers for the Niaspan (Lipid Regulator- Niacin) business are:

- Revenue from Niaspan
- Abbott's Pharmaceutical EBITDA Margin
- R&D as % of Revenue

— REVENUE FROM NIASPAN —

This represents the net global sales of Abbott's Niaspan drug divided by the total worldwide spending within the lipid regulator therapeutic class.



Revenue from Niaspan was $0.71 billion in 2007 within this segment, which has increased to cross $1 billion in 2011 due to the favorable impact of the Arbiter-6 HALTS study data on Niaspan prescribing trends.
We expect that going forward, the loss of patent exclusivity will have a significant negative impact on Niaspan's sales, which we forecast to decline significantly by the end of the Trefis forecast period.

Forecast Rationale

Supporting:

1. TERMINATION OF THE AIM-HIGH STUDY – The NIH study looking at the Niaspan and statin treatment has been terminated early because it did not reduce the risk of cardiovascular events, including heart attacks and stroke. Further, there was a small unexplained rise in strokes for Niaspan and Statinn treatment. However, the FDA is still analyzing the findings and has not yet suggested any changes in the label.
2. SALES TO BE HAMMERED BY GENERIC COMPETITION – Kos (acquired by Abbott) and Barr (now part of Teva) earlier reached a settlement agreement whereby Barr can market generic versions of Niaspan beginning September 2013.

The launch of cheap generic drugs will take a toll on Abbott's sales, however Barr will have to pay Abbott a royalty based on the profits generated from generic sales.

3. FURTHER LOSS OF EXCLUSIVITY WILL HIT SALES – Niaspan's patent has recently been challenged by Sun Pharmaceuticals. Any unfavorable outcome may hamper the price and revenue from the drug.

Sources for historical data and explanations can be found on the Trefis.com website (link)

— ABBOTT'S PHARMACEUTICAL EBITDA MARGIN —

See our analysis of Abbott's Pharmaceutical EBITDA Margin in the AndroGel, Synagis and Other division here.

— R&D AS % OF REVENUE —

See our analysis of R&D as % of Revenue in the AndroGel, Synagis and Other division here.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue (Bil $)	0.85	0.94	1.01	1.06	0.90	0.72	0.50	0.35	0.32	0.29	0.28	0.27
Direct Expense (Mil $)	462	532	516	546	455	375	265	187	170	157	157	156
Indirect Expense (Mil $)	91.4	226	97.4	251	200	173	126	89.1	80.0	69.9	66.1	62.7
Adjusted EBITDA (Mil $)	383	405	489	509	441	342	237	164	146	127	122	116
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	241	169	111	75.3	66.4	57.6	56.0	54.3

In addition, you can see the detailed P&L for the Niaspan (Lipid Regulator- Niacin) business in the Appendix (link)

Learn More

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If you're interested in Abbott Labs, you may also want to see the Trefis coverage for companies such as:

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— About Trefis —

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The Trefis platform uses extensive data to show in a single snapshot what drives the value of a company's business. We move beyond the qualitative notion "if you love the coffee at Dunkin' Donuts, you should think about buying the stock," to answer quantitative questions like "If their coffee sales are up 10% next year but doughnut sales are down 5%, what happens to the value of the company?"

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Appendix

Summary P&L for Abbott Labs

Summary P&L for Abbott Labs

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues (Bil $)	29.5	30.8	35.2	38.9	39.0	40.4	41.5	42.5	43.3	41.4	41.2	41.8
AndroGel, Synagis and Other (% of total)	31.3	26.5	29.6	29.7	28.4	28.8	29.1	29.4	29.9	32.2	33.4	33.9
Nutritionals (% of total)	17.9	18.8	17.1	16.7	17.9	18.9	19.5	20.0	20.5	22.3	23.2	23.6
Humira (Autoimmune)	16.5	19.6	20.2	22.1	24.2	24.1	23.9	23.2	22.6	16.5	13.3	11.8
Vascular (% of total)	8.16	9.60	9.85	9.28	8.64	9.07	9.53	9.97	10.4	11.6	12.4	13.0
Diagnostics (% of total)	13.0	12.8	11.7	11.5	11.8	12.2	12.5	12.7	12.9	14.0	14.6	14.9
TRILIPIX / TriCor (Lipid Regulator)	4.89	4.77	4.88	4.71	3.99	2.70	1.97	1.63	1.40	1.42	1.40	1.35
Kaletra (HIV Antiviral)	5.37	4.87	3.87	3.26	2.76	2.53	2.34	2.17	1.49	1.25	1.00	0.89
Niaspan (Lipid Regulator- Niacin)	2.86	3.05	2.86	2.72	2.30	1.78	1.21	0.83	0.73	0.69	0.68	0.66
Direct Expenses (Bil $)	18.3	19.7	20.3	22.4	22.1	23.3	24.1	24.8	25.4	24.8	24.9	25.5
AndroGel, Synagis and Other (% of total)	37.3	31.9	34.1	33.8	32.3	32.5	32.8	33.0	33.5	35.8	36.9	37.1
Nutritionals (% of total)	12.8	12.5	10.7	9.92	11.0	12.1	12.8	13.5	14.0	15.8	16.7	17.2
Humira (Autoimmune)	19.6	23.5	23.3	25.1	27.6	27.2	26.9	26.0	25.2	18.4	14.7	12.9
Vascular (% of total)	5.75	8.65	10.3	9.57	9.03	9.77	10.4	11.0	11.6	13.3	14.4	15.3
Diagnostics (% of total)	8.96	8.17	8.33	9.44	9.76	10.5	10.9	11.3	11.7	13.1	13.9	14.3
TRILIPIX / TriCor (Lipid Regulator)	5.82	5.73	5.62	5.36	4.54	3.05	2.22	1.83	1.56	1.58	1.55	1.48
Kaletra (HIV Antiviral)	6.40	5.85	4.46	3.71	3.14	2.86	2.63	2.43	1.67	1.39	1.11	0.97
Niaspan (Lipid Regulator- Niacin)	3.41	3.66	3.29	3.09	2.62	2.01	1.36	0.93	0.82	0.77	0.75	0.72
Adjusted EBITDA (Bil $)	11.2	11.1	14.9	16.5	16.9	17.1	17.4	17.7	17.9	16.7	16.3	16.3
AndroGel, Synagis and Other (% of total)	37.3	31.9	34.1	33.8	32.3	32.5	32.8	33.0	33.5	35.8	36.9	37.1
Nutritionals (% of total)	12.8	12.5	10.7	9.92	11.0	12.1	12.8	13.5	14.0	15.8	16.7	17.2
Humira (Autoimmune)	19.6	23.5	23.3	25.1	27.6	27.2	26.9	26.0	25.2	18.4	14.7	12.9
Vascular (% of total)	5.75	8.65	10.3	9.57	9.03	9.77	10.4	11.0	11.6	13.3	14.4	15.3
Diagnostics (% of total)	8.96	8.17	8.33	9.44	9.76	10.5	10.9	11.3	11.7	13.1	13.9	14.3
TRILIPIX / TriCor (Lipid Regulator)	5.82	5.73	5.62	5.36	4.54	3.05	2.22	1.83	1.56	1.58	1.55	1.48
Kaletra (HIV Antiviral)	6.40	5.85	4.46	3.71	3.14	2.86	2.63	2.43	1.67	1.39	1.11	0.97
Niaspan (Lipid Regulator- Niacin)	3.41	3.66	3.29	3.09	2.62	2.01	1.36	0.93	0.82	0.77	0.75	0.72
Indirect Expenses (Bil $)	2.68	6.17	2.96	8.12	7.65	8.62	9.27	9.60	9.79	9.14	8.83	8.74
AndroGel, Synagis and Other (% of total)	37.3	31.9	34.1	33.8	32.3	32.5	32.8	33.0	33.5	35.8	36.9	37.1
Nutritionals (% of total)	12.8	12.5	10.7	9.92	11.0	12.1	12.8	13.5	14.0	15.8	16.7	17.2
Humira (Autoimmune)	19.6	23.5	23.3	25.1	27.6	27.2	26.9	26.0	25.2	18.4	14.7	12.9
Vascular (% of total)	5.75	8.65	10.3	9.57	9.03	9.77	10.4	11.0	11.6	13.3	14.4	15.3

Summary P&L for Abbott Labs continued

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Diagnostics (% of total)	8.96	8.17	8.33	9.44	9.76	10.5	10.9	11.3	11.7	13.1	13.9	14.3
TRILIPIX / TriCor (Lipid Regulator)	5.82	5.73	5.62	5.36	4.54	3.05	2.22	1.83	1.56	1.58	1.55	1.48
Kaletra (HIV Antiviral)	6.40	5.85	4.46	3.71	3.14	2.86	2.63	2.43	1.67	1.39	1.11	0.97
Niaspan (Lipid Regulator- Niacin)	3.41	3.66	3.29	3.09	2.62	2.01	1.36	0.93	0.82	0.77	0.75	0.72
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	9.21	8.45	8.14	8.12	8.12	7.52	7.47	7.57
AndroGel, Synagis and Other (% of total)	n/a	n/a	n/a	n/a	32.3	32.5	32.8	33.0	33.5	35.8	36.9	37.1
Nutritionals (% of total)	n/a	n/a	n/a	n/a	11.0	12.1	12.8	13.5	14.0	15.8	16.7	17.2
Humira (Autoimmune)	n/a	n/a	n/a	n/a	27.6	27.2	26.9	26.0	25.2	18.4	14.7	12.9
Vascular (% of total)	n/a	n/a	n/a	n/a	9.03	9.77	10.4	11.0	11.6	13.3	14.4	15.3
Diagnostics (% of total)	n/a	n/a	n/a	n/a	9.76	10.5	10.9	11.3	11.7	13.1	13.9	14.3
TRILIPIX / TriCor (Lipid Regulator)	n/a	n/a	n/a	n/a	4.54	3.05	2.22	1.83	1.56	1.58	1.55	1.48
Kaletra (HIV Antiviral)	n/a	n/a	n/a	n/a	3.14	2.86	2.63	2.43	1.67	1.39	1.11	0.97
Niaspan (Lipid Regulator- Niacin)	n/a	n/a	n/a	n/a	2.62	2.01	1.36	0.93	0.82	0.77	0.75	0.72

Detailed P&L for the AndroGel, Synagis and Other business

The most important drivers for the AndroGel, Synagis and Other business are discussed above, here is the detailed P&L.

AndroGel, Synagis and Other: Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue From AndroGel, Synagis and Other (Bil $)	9.24	8.16	10.4	11.5	11.1	11.6	12.1	12.5	13.0	13.3	13.8	14.2
Revenue From AndroGel, Synagis and Other ($ Bil)	9.24	8.16	10.4	11.5	11.1	11.6	12.1	12.5	13.0	13.3	13.8	14.2
Total Revenues (Bil $)	9.24	8.16	10.4	11.5	11.1	11.6	12.1	12.5	13.0	13.3	13.8	14.2
Expenses												
Direct Expenses (Bil $)	5.05	4.63	5.33	5.98	5.63	6.08	6.39	6.67	6.97	7.38	7.74	8.11
Abbott's Pharmaceutical EBITDA Margin (%)	45.4	43.3	48.7	48.2	49.2	47.7	47.2	46.7	46.2	44.7	43.7	42.7
Indirect Expenses (Bil $)	1.00	1.97	1.01	2.74	2.47	2.80	3.04	3.17	3.27	3.28	3.26	3.24
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08

AndroGel, Synagis and Other: Detailed P&L continued

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	6.05	6.60	6.34	8.72	8.10	8.89	9.43	9.84	10.2	10.7	11.0	11.4
Adjusted EBITDA (Bil $)	4.19	3.53	5.06	5.57	5.45	5.55	5.71	5.85	5.99	5.97	6.01	6.05
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	2.98	2.75	2.67	2.68	2.72	2.70	2.76	2.81

Detailed P&L for the Nutritionals business

The most important drivers for the Nutritionals business are discussed above, here is the detailed P&L.

Nutritionals: Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue (Bil $)	5.30	5.80	6.00	6.50	6.96	7.63	8.08	8.51	8.88	9.23	9.55	9.84
Nutritionals Market Size ($ Bil)	270	285	310	322	336	352	366	378	390	402	414	426
Abbott's Nutritionals Market Share (%)	1.96	2.03	1.94	2.02	2.07	2.17	2.21	2.25	2.28	2.30	2.31	2.31
Total Revenues (Bil $)	5.30	5.80	6.00	6.50	6.96	7.63	8.08	8.51	8.88	9.23	9.55	9.84
Expenses												
Direct Expenses (Bil $)	3.86	4.41	4.41	4.87	5.11	5.56	5.85	6.12	6.37	6.61	6.82	7.03
Abbott's Nutritionals EBITDA Margin (%)	27.1	23.9	26.5	25.1	26.6	27.0	27.5	28.0	28.2	28.4	28.5	28.5
Indirect Expenses (Bil $)	0.34	0.77	0.32	0.81	0.84	1.04	1.18	1.29	1.37	1.44	1.48	1.50
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	4.20	5.18	4.73	5.67	5.95	6.60	7.04	7.42	7.75	8.05	8.30	8.53
Adjusted EBITDA (Bil $)	1.44	1.39	1.59	1.63	1.85	2.06	2.22	2.39	2.51	2.63	2.73	2.81
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	1.01	1.02	1.04	1.09	1.14	1.19	1.25	1.30

Detailed P&L for the Humira (Autoimmune) business

The most important drivers for the Humira (Autoimmune) business are discussed above, here is the detailed P&L.

Humira (Autoimmune): Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue from Humira (Bil $)	4.86	6.02	7.10	8.58	9.44	9.73	9.92	9.87	9.77	6.84	5.47	4.93
Revenue from Humira ($ Bil)	4.86	6.02	7.10	8.58	9.44	9.73	9.92	9.87	9.77	6.84	5.47	4.93
Total Revenues (Bil $)	4.86	6.02	7.10	8.58	9.44	9.73	9.92	9.87	9.77	6.84	5.47	4.93
Expenses												
Direct Expenses (Bil $)	2.66	3.42	3.64	4.44	4.79	5.08	5.24	5.26	5.25	3.78	3.08	2.82
Abbott's Pharmaceutical EBITDA Margin (%)	45.4	43.3	48.7	48.2	49.2	47.7	47.2	46.7	46.2	44.7	43.7	42.7
Indirect Expenses (Bil $)	0.53	1.45	0.69	2.04	2.11	2.34	2.49	2.50	2.47	1.68	1.30	1.13
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	3.18	4.87	4.33	6.49	6.90	7.43	7.73	7.76	7.72	5.46	4.38	3.95
Adjusted EBITDA (Bil $)	2.21	2.61	3.46	4.14	4.65	4.64	4.68	4.61	4.52	3.06	2.39	2.10
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	2.54	2.30	2.19	2.11	2.05	1.38	1.10	0.98

Detailed P&L for the Vascular business

The most important drivers for the Vascular business are discussed above, here is the detailed P&L.

Vascular: Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue (Bil $)	2.41	2.95	3.47	3.61	3.37	3.66	3.96	4.24	4.52	4.80	5.11	5.41
Vascular Market Size ($ Bil)	14.8	16.4	17.6	19.0	20.4	21.9	23.4	25.0	26.5	28.0	29.7	31.5
Abbott's Vascular Market Share (%)	16.3	18.0	19.7	19.0	16.5	16.7	16.9	17.0	17.1	17.1	17.2	17.2
Total Revenues (Bil $)	2.41	2.95	3.47	3.61	3.37	3.66	3.96	4.24	4.52	4.80	5.11	5.41
Expenses												
Direct Expenses (Bil $)	1.76	2.00	1.94	2.03	1.85	2.00	2.15	2.30	2.44	2.59	2.75	2.92
Abbott's Vascular EBITDA Margin (%)	26.8	32.4	44.1	43.7	45.2	45.5	45.7	45.8	45.9	46.0	46.1	46.1
Indirect Expenses (Bil $)	0.15	0.53	0.30	0.78	0.69	0.84	0.96	1.05	1.13	1.21	1.27	1.34
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	1.92	2.53	2.24	2.81	2.54	2.84	3.11	3.35	3.58	3.81	4.03	4.26
Adjusted EBITDA (Bil $)	0.65	0.96	1.53	1.58	1.52	1.67	1.81	1.94	2.07	2.21	2.35	2.50
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	0.83	0.83	0.85	0.89	0.94	1.00	1.08	1.16

Detailed P&L for the Diagnostics business

The most important drivers for the Diagnostics business are discussed above, here is the detailed P&L.

Diagnostics: Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue (Bil $)	3.85	3.93	4.12	4.47	4.59	4.93	5.18	5.41	5.60	5.80	6.01	6.22
Diagnostics Market Size ($ Bil)	40.8	43.7	44.6	46.6	48.7	50.7	52.7	54.5	56.2	57.8	59.6	61.4
Abbott's Diagnostics Market Share (%)	9.43	8.98	9.23	9.58	9.43	9.73	9.83	9.93	9.98	10.0	10.1	10.1
Total Revenues (Bil $)	3.85	3.93	4.12	4.47	4.59	4.93	5.18	5.41	5.60	5.80	6.01	6.22
Expenses												
Direct Expenses (Bil $)	2.84	3.02	2.88	2.91	2.95	3.14	3.28	3.40	3.51	3.63	3.75	3.88
Abbott's Diagnostics EBITDA Margin (%)	26.2	23.0	30.1	34.8	35.8	36.3	36.7	37.1	37.3	37.5	37.6	37.6
Indirect Expenses (Bil $)	0.24	0.50	0.25	0.77	0.75	0.90	1.01	1.09	1.14	1.19	1.22	1.25
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	3.08	3.52	3.12	3.68	3.69	4.04	4.29	4.49	4.66	4.82	4.97	5.13
Adjusted EBITDA (Bil $)	1.01	0.90	1.24	1.55	1.64	1.79	1.90	2.01	2.09	2.18	2.26	2.34
Free Cash Flow (Bil $)	n/a	n/a	n/a	n/a	0.90	0.89	0.89	0.92	0.95	0.98	1.04	1.09

Detailed P&L for the TRILIPIX / TriCor (Lipid Regulator) business

The most important drivers for the TRILIPIX / TriCor (Lipid Regulator) business are discussed above, here is the detailed P&L.

TRILIPIX / TriCor (Lipid Regulator): Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue from TRILIPIX / TriCor (Bil $)	1.44	1.47	1.72	1.83	1.56	1.09	0.82	0.69	0.60	0.59	0.58	0.57
Revenue from TRILIPIX / TriCor ($ Bil)	1.44	1.47	1.72	1.83	1.56	1.09	0.82	0.69	0.60	0.59	0.58	0.57
Total Revenues (Bil $)	1.44	1.47	1.72	1.83	1.56	1.09	0.82	0.69	0.60	0.59	0.58	0.57
Expenses												
Direct Expenses (Mil $)	788	832	880	948	790	569	431	370	324	325	324	324
Abbott's Pharmaceutical EBITDA Margin (%)	45.4	43.3	48.7	48.2	49.2	47.7	47.2	46.7	46.2	44.7	43.7	42.7
Indirect Expenses (Mil $)	155	353	166	435	347	262	205	175	152	144	136	129
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	0.94	1.19	1.05	1.38	1.14	0.83	0.64	0.55	0.48	0.47	0.46	0.45
Adjusted EBITDA (Mil $)	654	634	835	883	766	519	385	324	279	263	252	241
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	418	257	180	148	126	118	115	112

Detailed P&L for the Kaletra (HIV Antiviral) business

The most important drivers for the Kaletra (HIV Antiviral) business are discussed above, here is the detailed P&L.

Kaletra (HIV Antiviral): Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue from Kaletra (Bil $)	1.59	1.50	1.36	1.27	1.08	1.02	0.97	0.92	0.65	0.52	0.41	0.37
Revenue from Kaletra ($ Bil)	1.59	1.50	1.36	1.27	1.08	1.02	0.97	0.92	0.65	0.52	0.41	0.37
Total Revenues (Bil $)	1.59	1.50	1.36	1.27	1.08	1.02	0.97	0.92	0.65	0.52	0.41	0.37
Expenses												
Direct Expenses (Mil $)	866	850	698	655	546	534	512	491	347	285	232	213
Abbott's Pharmaceutical EBITDA Margin (%)	45.4	43.3	48.7	48.2	49.2	47.7	47.2	46.7	46.2	44.7	43.7	42.7
Indirect Expenses (Mil $)	171	361	131	301	240	246	244	233	163	126	97.9	85.2
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Bil $)	1.04	1.21	0.83	0.96	0.79	0.78	0.76	0.73	0.51	0.41	0.33	0.30
Adjusted EBITDA (Mil $)	719	648	662	610	529	487	458	431	298	231	180	158
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	289	241	214	197	135	104	82.9	73.8

Detailed P&L for the Niaspan (Lipid Regulator- Niacin) business

The most important drivers for the Niaspan (Lipid Regulator- Niacin) business are discussed above, here is the detailed P&L.

Niaspan (Lipid Regulator- Niacin): Detailed P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
Revenue from Niaspan (Bil $)	0.85	0.94	1.01	1.06	0.90	0.72	0.50	0.35	0.32	0.29	0.28	0.27
Revenue from Niaspan ($ Bil)	0.85	0.94	1.01	1.06	0.90	0.72	0.50	0.35	0.32	0.29	0.28	0.27
Total Revenues (Bil $)	0.85	0.94	1.01	1.06	0.90	0.72	0.50	0.35	0.32	0.29	0.28	0.27
Expenses												
Direct Expenses (Mil $)	462	532	516	546	455	375	265	187	170	157	157	156
Abbott's Pharmaceutical EBITDA Margin (%)	45.4	43.3	48.7	48.2	49.2	47.7	47.2	46.7	46.2	44.7	43.7	42.7
Indirect Expenses (Mil $)	91.4	226	97.4	251	200	173	126	89.1	80.0	69.9	66.1	62.7
Corporate Expenses as % of EBITDA (%)	1.16	0.83	0.90	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
R&D as % of Revenue (%)	9.11	8.92	10.6	10.6	10.6	10.8	11.0	11.2	11.3	11.3	10.8	10.3
Abbott's Tax Rate (%)	16.7	23.2	12.8	5.06	11.1	14.1	16.1	17.1	17.6	17.8	18.1	18.3
CapEx % of EBITDA (%)	11.5	9.83	6.83	9.05	10.1	10.3	10.4	10.5	10.6	10.6	10.6	10.6
Change in Net Working Capital % of Revenue (%)	-7.09	8.18	-5.99	-0.47	-0.47	0.53	0.78	0.58	0.38	0.18	0.08	0.08
Change in Other Net Operating Assets % of Revenue (%)	-1.54	-2.07	-5.59	0.67	0.47	0.37	0.47	0.57	0.62	0.67	0.67	0.67
Restructuring and Other Charges as % of EBITDA (%)	0.00	-9.79	7.20	11.6	3.99	3.99	3.99	3.99	3.99	3.99	3.99	3.99
Total Expenses (Mil $)	553	758	613	798	656	548	391	276	250	227	223	219
Adjusted EBITDA (Mil $)	383	405	489	509	441	342	237	164	146	127	122	116
Free Cash Flow (Mil $)	n/a	n/a	n/a	n/a	241	169	111	75.3	66.4	57.6	56.0	54.3